THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

October 16, 1948

CENSORSHIP AGAIN?

AN EDITORIAL

China's Battlefields In Autumn

Alec Stock

Viet Nam's Three Year War

William Johnson

UN: Peace While They Still Talk

Jacques Decaux

INTERVENTION HEADACHE

AN EDITORIAL

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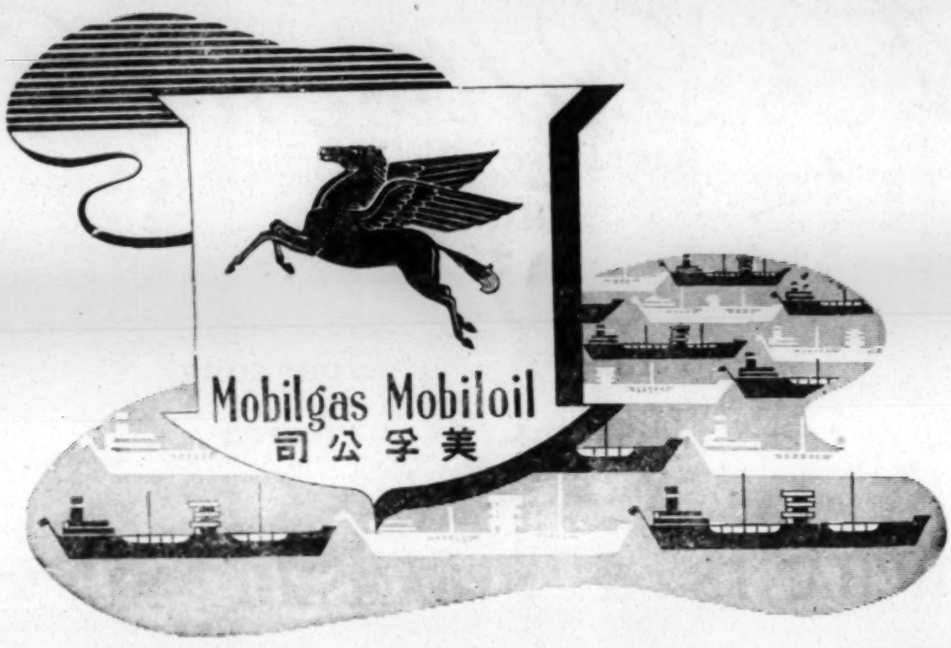

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LETTERS From The People

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Rebels And Bandits

To The Editor:

Recently people have been greatly surprised by the death of General Hung Yu Chiang. It indeed leads people to wonder because the life of General Hung Yu Chiang was most unusual. Hung is famous for his rebellious work. Now that his life is over history will judge his contributions and his failures. But on the subject of reactionaries one must point out that they are very much afraid of rebellions. As a rebel, there is no doubt that many of his die-hard enemies are very jealous of him. If he had not died they would have tried to assassinate him.

Moreover in view of past history, rebellions are not always unjustified or bad. Rebels who are disgusted with the disorders of feudal society have been the first to fight against the rulers. No modern society can be established without the agitation of rebels. Lu Hsin and Sun Yat-sen were also no exceptions. They are also entitled to be called "bandits" since they devoted themselves to the reformation of society.

Certainly, the present rulers do not dare say that Dr. Sun Yat-sen was a rebel. They declare that Dr. Sun had a strong belief and the correct goal and they say further that he was not as dilly-dallying as Hung. Therefore, Hung is a rebel instead of a revolutionist. Yet we can clearly see that Hung was inclined to revolutionary government but not submissive to a corrupt one. We cannot follow blindly those who regard Hung's rebellion as a means to increase his own power. Although we cannot compare Hung and Dr. Sun, yet it is no exaggeration to say that the former is a faithful follower of the father of our Republic. His self-sacrificing spirit for the democratic movement and profound concern about the welfare of the people presents a sharp contrast to the ways of the conservatives of the KMT. His name is engraved in the minds of the people. He is immortal.

T. Y.

Hu-pei
September 27, 1948

Scandal In Sinhui

To The Editor:

The month of August was an eventful one for this small town.

Quite some time before the joint entrance examination for the local government middle schools' candidates, which was sponsored by the Educational Section of the Hsien Government Office, there already had been whispers of selling the exam questionnaires for HK$400 a complete set. It was stated that the purchased copies of the questions went through a series of reselling processes and ultimately became so cheap that they fetched only HK$10 or HK$5 per set. One witness asserted that he saw with his own eyes several schoolboys canvassing buyers for their ill-gotten exam questions on the streets.

On the morning the entrance exam was started, *Min Hui Jih Pao*, a local newspaper, in order to lay bare

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the scandal, published all the exam questions in the nick of time—just when the examiners had written down identical questions on the blackboard. The printing of these questions by the paper furnished incontestable proof that they had been betrayed before the exam in one way or another. When offered a copy of the paper carrying the questions, the Chief Examiner, Magistrate Li, was dumbfounded and had to order the suspension of the examination.

The aforementioned paper, in printing those exam questions, vigorously charged the Head of the Educational Section, who was one of the three members of the committee entrusted with the safekeeping, selection, and mineographing of the exam questions, with bootlegging the questions. Then came a row between the Head and the paper.

Towards the end of the month, the case took a dramatic turn when an Inspector of the Educational Section and then a senior student of a local government middle school were arrested and later released on bail. Efforts are still under way to trace the chief criminals. However, it seems strange that the magistrate has taken no action to hold the aforesaid three-man committee responsible.

The second incident was the smashing of the *Min Hui Jih Pao's* office and printing press by a mob of rioters who objected to a scandalous legendary story printed by the paper.....

Hundreds of able-bodied men, some armed with pistols or other weapons, started the operation. The Hsien government, getting wind of the imminent riot, hastily detailed quite a few parties of local guards to halt the advance of the rioters. A large gang of the raiders, well over 200 in number, however, slipped past the guards' cordons and swiftly headed for the premises of the ill-fated paper.

Arriving at their destination, they smashed everything within reach in the office and also the printing presses. The local guards could do no more than grab several alleged raiders.

According to the paper's estimation, the material losses amounted to GY20,000.

It is interesting to note that on the day following the smashing of the paper, the Head of the Education Section published in another local paper a special article entitled "Doomed Will Be Those Who Have Done Too Many Evil Things," the wording of which revealed a feeling of elation over the victimized paper's misfortune. In this article, the Head declared, in defense of himself, that it was through the inadvertance of the brother of the editor and publisher of the paper, a member of the committee referred to above, that the exam questions were released.

Only one or two days after the raid, another event occurred which shocked the whole Hsien. Over 100 prisoners broke out of the local gaol. During the revolt, a guard was killed outright, and several others were wounded; the chief gaoler's wife was badly lacerated; the living quarters of the officers were ransacked.

Local guards were dispatched to conduct a roundup of the decampers but after a whole day's search only eight were rounded up.

It transpired that the plot of breaking out of the gaol had been hatched for some time. The prisoners had been clandestinely sharpening bamboo sticks for weapons and while doing the latter, they loudly sang songs so as to drown out the noise. The storm of the revolters was so unexpected and so daring that the prison guards could not but find themselves helpless.

JOHN H. HSU.

Sinhui, Kwangtung
September 3, 1948

Fairbank's Book

To The Editor:

Although a review of John Fairbank's, "The United States and China" appeared in a recent issue of your magazine I feel, after having just finished reading the book, that I should like to say a few things about it.

This is not a book on the relation between China and the United States of America. No discussion is made on the effects and causes of what China did to the United States for the last 100 years, or *vice versa*. Nor even a revaluation can be found of the dealing of the American with the Chinese Government as two Allies in World Wars I and II. Only a brief, but excellent narration of the changing Chinese culture and politics may satisfy many a Western reader. Apparently the book may as well have been entitled: "China as another American Neighbor."

There can be an unreserved admission that it is the best general book on China in English. It presents a clear, concisive, and rather comprehensive picture of China as a country, as a society and as a republic with a full and balanced view of the perspective. It does so with very little analytical or critical touch, which, in a general way, is fair.

The author insists that subjectivism and ignorance are harmful, even "sinful," that China is a different society which cannot be remodelled after an American design, and that the American people must bear that in mind to deal with the Chinese situation *as it is*. The Chinese Government throughout the country is shown to be "authoritarian." Chinese Communism is assumed to be based on "a peasant rebellion, Marxist ideology, and genuine patriotism." The outcome of the struggle for power between this communism and "authoritarianism" is uncertain. Meanwhile it is suggested that the American Government and people should inaugurate in China a new political strategy, a more efficient and broad service based on information and education, a carefully laid-out program of aid to economic development, and a timely adjustment of intervention to the need of preserving China's integrity.

With some exceptions even a Chinese reader may agree with the author in his insistence and suggestion. Of course, it cannot be expected that the author should tell the inside story of the Chinese Revolution, of the Chinese Government, or of Chinese Communism. Yet may we not wish that he had also dealt with the psychological aspect of China as a society? As has been generally granted, China and the United States can and must cooperate to make the world better. What then are the bases of cooperation that can be considered?

Another essential point of omission has to do with the ideals and work of Dr. Sun Yat-sen whose political, economic and social convictions were of Anglo-American origin and who was somehow persistently opposed by Anglo-American diplomacy. The world may yet have to learn the consequences of that opposition which the present-day American policy makers do not seem to know or remember.

With a professorial suggested reading list at its end, the book is one of the series in the American Foreign Policy Studies under the directorship of Sumner Welles. He contributes a warm introduction. Indeed, as he indicates, it is a most timely and important book and worth serious reading.

J. USANG LY.

Shanghai
October 3, 1948

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Never believe that you are perfect. When a man imagines, even after years of striving, that he has attained perfection, his decline begins.

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Honan Students

To The Editor:

I couldn't help taking pen in hand immediately after reading the letter from Mr. C.T.T. appearing in the September 11 issue of your esteemed *Weekly Review*. As a Honanese, a refugee of the Civil War, and a "liu wang hsueh sheng" (fugitive student), I can appreciate such a story of persecution and murder of young students, and I believe that what Mr. C.T.T. has said is true. What a sad thing it is that the Kuomintang has no capacity for successfully fighting the Communists, yet finds itself quite able to wage war upon its own students!

A schoolmate of mine arrived here in Soochow just yesterday from Shangtsai, a small district in southeast Honan. He told us of frightful things that had occurred in our native province. According to him, while they were on their way from the above-mentioned district to Hsenyang, an important military and political center of southern Honan, a large number of students were seized by the local army and impressed into service. Now, it is a common thing in this country for peasants, workers, small merchants and other *lao pai hsing* to be seized and forced to serve in the army. But for the same thing to happen to students is unprecedented. Some of this group of students planned an immediate escape, but were found out and many of them were shot forthwith. My friend was lucky; he was released after cooking for two days for the soldiers.

Down with the student-murdering troops! We students and the people of China do not need their kind of "protection."

L.C.W.

Soochow
September 18, 1948

Staunch Democrat

To The Editor:

While we don't very much care what American business men say about Shanghai's "tiger hunts," we cannot but be amazed at some of the framers of US policy and intellectual's inability to fathom the problems of China.

On one hand these naive people hope that the Chinese Government will be able to eliminate the Communists while on the other hand they blame it for its undemocratic ways and advise it (and sometimes use pressure) to follow more democratic ways. This is completely ridiculous.

If the Americans favor the Nationalists and hope they can hold out against the Communists then democracy is the last thing to be desired. For in times of national trouble, dictatorship means a central and militarized administration. This has all the advantages of a military machine such as strict discipline, unity of purpose and unity of action. Whether this is good in times of peace is another question but dictatorship must be employed if the Central Government is to emerge victorious in its life-and-death struggle with the Reds. If the Government should allow the saboteurs, speculators, hoarders, strikers, demonstrators and unfavorable war news to go unchecked it would scarcely be in a position to carry on the war. If democracy, anywhere at any time, is a source of strength then the Government would be only to willing to accept it. Unfortunately, democratic principles if earnestly followed in China today would only mean political, financial and social chaos as is now prevailing in France.

This is the point most Americans seem to be unable to grasp. Democracy in America is generally believed to be the source of national strength, but it is no panacea for any country at any time. Didn't the US have to modify its democracy to effectively prosecute the last war? Again, recently, the discovery of a wee bit of sprouting of communism on American soil has already created a huge disturbance throughout the country and there is much to do about a loyalty check and all sorts of witch-hunting going on at the expense of true democracy. It can easily be imagined how much democracy would remain in America if communism there were to assume the proportions it has assumed in China.

I do not oppose democracy. On the contrary, I am a staunch supporter of it—a democracy under which all the people can enjoy political, economic and social equality; a democracy that knows no bloody purges, loyalty checks and makes it possible for Stalin and Trotsky, or Chiang Kai-shek and Mao Tse-tung to live together in peace. I stand for true democracy; a mixture of the American type and the Soviet type which has retained and improved what is good in them and discarded what is unworthy.

In a time when different ideologies are struggling with each other the undemocratic ways practiced by all involved are a natural consequence. There is no reason to lash the Russians or any Communist regime for its controls and purges; America for its loyalty check and racial discrimination; and still less the Chinese Government for its press control, bans on demonstrations and stern financial control measures.

HAMBRIDGE.

Lanchow
September 17, 1948

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"Big Four"

To The Editor:

The "Big Four" in Kunming are folk of great genius judging from their work in the city's economic circle. They have bought a great deal of gold and foreign currency at a lower price than after the declaration of the currency reform and thus made large quantities of money for themselves.

This "Big Four" consists of three bank managers and a very big merchant operator. These four geniuses have always accumulated their funds from some shady business, including gathering in much gold and foreign currency. Unfortunately, one of them has been arrested by the police a week ago and is scheduled to go before the Special Court. We ordinary people hope that he will receive adequate punishment.

Meanwhile, three inspectors of the Control Yuan have been investigating the purchases of tons of nickel and 4,000 taels of gold by a second member of this evil quartet. We all hope that the Government will arrest the other three of this wicked group and punish them along with the one already in custody. Otherwise, the new currency and economic policy will not be regarded very seriously in this area.

W. SEARCH.

Kunming
September 16, 1948

Shorter Letters

To The Editor:

May I make the suggestion that you find some way to shorten the letters in your "Letters from the People" column. Such long letters in small print certainly do not invite reading and many times the same thoughts and opinions could be expressed adequately in one third of the space. It would seem that you could do one of two things; either edit the letters or request the writers to limit their letters to a stated number of words.

Keep up the good work in keeping us informed of events in China and their implications.

L.E.N.

Swatow, Kwangtung
October 4, 1948

China's Friends

To The Editor:

Ever since the great war ended, all the people, American and Chinese, congratulated each other on victory and peace.

But the tragic civil war is going on. We still have misfortunes. And for the purpose of quelling the communistic insurgents, the US Army is permitted to stay in China. Therefore, we heard of many incidents in the past two or three years.

US soldiers raped a girl student in Peiping. In Nanking, an ignorant Chinese was drowned in the river by them. In Tientsin, they insulted Chinese officers.....In Shanghai, a Chinese chauffeur died from their hard boots. They raped over 30 Chinese ladies at a ball in Hankow.

When the Japanese surrendered, the US soldiers were welcomed warmly everywhere by the Chinese people. But how do things stand now?

My dear Editor: The *Review* likes to maintain and promote democracy. I am not anti-American and I never wanted to break the friendship between America and China. I only want you to publish this with a view to advising the minority of US soldiers.

S. S. WEN.

Shanghai
September 26, 1948

Trusting Traitors

To The Editor:

After days of bloody fighting between the Communist and Nationalist troops in Shantung, Tsinan finally was taken by the Communists. Though our government announced that it did not affect the bandit suppression campaign very much and that the Communists would soon be kicked out, the people continue to remain worried about the situation.

We have learned from the press that during the course of the battle for the city, General Wu Hua-wen, chief of the 84th division, rebelled against our government and with his men joined hands with the Communists. This incident seems to be an important factor in the fall of Tsinan. Since the story has appeared in all the papers I don't want to repeat it. I only wish to say a few words about the matter.

Immediately after Wu's rebellion many papers gave space to information about him. It seems that he was a top officer in the puppet government during the Japanese war and he was also noted for being a good hand in fighting the Communists at that time. If he was a puppet I cannot understand why our government appointed him to such a responsible position. I wonder if it was thought that he was useful because he was an anti-Red hero?

I can't help feeling that our government has been too generous in

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dealing with traitors. After VJ Day, as is well known, many traitors crept into all departments of the government. Wu is only one of them. On the other hand, many people who did their best to serve our country during the war are leading a hard life. Are traitors to be more respected than those who served the nation?

No matter how efficient he may be a traitor is forever disloyal to his country. I hope that our government, learning from the fall of Tsinan, will be more careful in the future.

LO CHUNG-YEN.

Kwangtung
October 4, 1948

Straight Thinking

To The Editor:

It is a fact that we the Chinese people are not satisfied with our Government, and it is high time that our Government did some straightforward thinking as to the causes of our dissatisfaction, following thought with constructive action. Of course, we have the currency reform, the Special Criminal Tribunals, the "movement to promote industry and frugality." But do these efforts really meet the demands of the situation?

I cannot help shedding tears at the hopelessness of the situation. One town after another comes under the guns of war, which leave in their wake destruction, despair and hoards of refugees. How can we Chinese keep silent in the face of such conditions of growing bitterness. Our Government piously asks us for constructive suggestions, yet how can it carry out constructive suggestions and at the same time be engaged in a totally destructive war? This question only God can answer.

Our Government need not fear the assault of public opinion if it devotes itself to the proper function of any government—that of serving the best interests of its people. If the people lose faith in their leaders, if they feel that that they are being sacrificed for the promotion of the well-being of a few, they will cry out, and their voices cannot be stilled. And so we have a vicious circle, with the people objecting to needless sacrifice, on the one hand, and the Government using every means to suppress the tongues of the people—the independent press and the students—which, in turn, creates more bitterness and louder outcries.

Suppression, it should be obvious to the Government, is no cure, nor is it even a palliative. Are the rice robberies in Chunching and Lin-po the result of words printed in a newspaper or spoken by a student? It is hard to believe that the banning of the *Sin Min Pao* or *Time & Culture* can in any way stabilize the country. It is equally hard to believe that the jailing of a hundred students will help to promote the peace and security the people want. If any one group is responsible for the present social and economic upheaval it is the Government itself, and only a thorough change of Government action can keep the country from total chaos.

CYNIC.

Wu-Han University
Hun-Pei, Wu-Chang
October 1, 1948

Awaiting War

To The Editor:

The situation for the Nanking regime apparently goes from bad to worse. Tsinan is now in the hands of the "Bandits" and Changchun is reported to be in the process of evacuation. Economically, the GY is not as successful today as it was a few weeks ago. On one hand it seems that the new notes were issued too rapidly in such a short period of time.

Half of the top limit of the GY and five times the total issue of the CNC has already been released while there seems to be no proper outlet for the vast sums of money which are piling up in the people's purses. This has led to the recently witnessed buying spree. This is just another version of an inflation.

Politically, the Government, under the name of democracy, is going back to a one man regime again. Faced with all this, what can the Government do? Firstly it is impossible to win the Civil War by itself. Secondly, it is almost hopeless to think of gaining the support of the people. Thirdly, it is unsuitable to depend upon the slow and minute US aid to turn the tide of battle. The only way out for the Kuomintang is a Third World War.

Should this occur, China then might gain immediate aid from America. A squadron of the US Navy would come into the China and Japan Seas to defend our coastline. A division or two of US soldiers or US trained Japanese could land on Liaotung Peninsula and march into the Northeast provinces. B-29 planes could threaten the "Bandits" with atomic destruction from the air. Wheat and rice could be poured into China to feed the Chinese soldiers and US made uniforms could splendidly clothe the men of the Chinese armies.

Then China of course would be one of the leading powers in the world. The final victory of World War III would go to the Allies; and China, under the Kuomintang regime, could become one of the Big Powers in the new world. "Bandits" would be eliminated, disturbances suppressed and the country would be reconstructed.

Let us congratulate ourselves in advance!

C. C. L.

Shanghai
October 6, 1948

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Censorship Again?

THE rumor that the Government was planning the imposition of "press restrictions," otherwise known as censorship appeared and was promptly denied by official circles recently. Ordinarily, we might be inclined to dismiss the matter as being merely another case of an unfounded rumor which was subsequently denied by competent authorities. However, the fact that there has been some interference with the press lately, makes it imperative that such rumors and denials be examined carefully.

During the Sino-Japanese War the Government controlled the press fairly closely through its censorship regulations. The reason for some form of censorship was apparent and everyone understood the need to protect military information and other national secrets from enemy spies. However, as is usually the case, the reason soon developed into an "excuse" and papers were upon occasion closed or warned on the pretext of violating security regulations. Critical comments of all kinds became, in the eyes of the censors, grounds for invoking "military security."

Following VJ Day, censorship was repealed and the press was declared free. However, since then it has not been absolutely free by any means. One thing which has prevented the development of a free and responsible press is the fact that most of the larger and more influential organs have come under the influence of one political group or another. There is scarcely a single important newspaper in Shanghai today which does not reflect the interests of some political clique or important individual.

While this certainly limits the possibility of a free press, this fact in itself strangely makes for a kind of freedom one might not expect to find. This is because these cliques and individuals are constantly at "war" with one another. While it is doubtful if more than a very few of these owners or controllers of the various local papers have more than a slight understanding of the words "freedom and responsibility of the press," their constant political and economic conflicts with one another treats Shanghailanders to a rich and regular diet of exposé, scandal and rumor about high personages. Naturally, there often is a shred of truth in these charges since many of these so-called "big shots" are frequently engaged in rather questionable activities, some of which undoubtedly are outside the law. While these "attacks" and "exposures" provide the reading public with many small bits of information which aid it in figuring out what goes on in this country, it should be remembered that this is not the intention of the publishers. This information is merely a byproduct of political feuding among rivals.

Since the promulgation of the emergency economic regulations on August 19, the reading public has been treated to an unusually heavy dose of stories purportedly revealing the scandalous acts of various officials. One of the latest was an especially juicy account of the alleged imperfections of Dr. Sun Fo, president of the Legislative Yuan. Dr. Sun, according to this story, was connected with Wang Chun-che, manager of the Ling & Wang Company who was recently shot for involvement in blackmarket exchange transactions. The story, which appeared in the *National Salvation Daily*, also alleged that Dr. Sun was extremely extravagant in erecting his home in Nanking, spending US$500,000 on it.

Naturally Dr. Sun denied the report. He attributed it to the paper's ire over the fact that a group of Cantonese National Assembly delegates, who were supporting him in the election for the Vice-Presidency of the National Government, wrecked the paper's office because it supported Li Tsung-jen, the successful candidate.

Another recent example was the story appearing in several local papers "exposing" the hoarding of 100 automobiles and large quantities of other goods by the Yangtze Development Company, an organization headed by L. K. Kung, eldest son of Dr. H. H. Kung. Investigation later showed that none of the goods stored in the Yangtze godown were on the prescribed list and that all had been properly registered. However, several papers had a field day with the story while it lasted, making the most of the connection between the firm and former Premier H. H. Kung.

One of the most sensational charges appearing in recent weeks was the allegation that a former Ministry of Finance employee made a fortune of US$200,000,000 by accepting bribes during his 13-year tenure of office.

Less spectacular charges and countercharges appear almost every week in one or more of the popular magazines published here and in Nanking. They usually take the form of long, apparently scholarly articles analyzing the "sources of strength" of one political clique or another. A recent one, which was reputed to be an exhaustive survey of the present standing and background of the Political Science Clique, made criminal charges against several prominent figures, both in and out of the Government.

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WHILE these continuous "exposures" in a way do indicate that the press is not completely controlled, they cannot be cited as genuine examples of press freedom. Rather they are the ex-

ternal evidences of behind-the-scences political cat and dog fights between individuals and groups. For some reason very difficult for a foreigner to understand, the persons so maligned do not seem to resent such attacks enough to sue for libel. Stories which in America would involve a paper in endless court litigation, seem here to be forgotten until the time becomes propitious for the "victim" to retaliate through another organ by leveling equal or worse charges at his original persecutor.

A really critical ability to examine in a constructive manner the actions of officials, the organization of the Government, the structure of the social, economic and political society seems lacking. Such examination, coupled with constructive criticism, is the duty of a free and responsible press. This does not fail to exist because of a lack of talent among editors and reporters. Rather, it is because that type of criticism is more or less *verboten*. A newspaper or magazine attempting such activity is likely to find itself in difficulties very quickly. In the first instance pressure will be brought to bear on the owner and the staff. Rationed newsprint will not be supplied, and various other hindrances may be put in the way of continued publication. If such methods fail, outright closure will very likely result. This has happened to a few papers and magazines since VJ Day, a period during which China presumably was operating without any regulations or laws restricting the press. On each such occasion, excuses—about as difficult to see through as a pane of window glass—have been used, such as disturbing public order, tending to degrade the public's morals, or, simply, aiding the "Communist bandits." One magazine, one newspaper and one news agency have been closed thusly within the last fortnight.

It seems to be okay so long as the criticism eminates from one important individual or another. That's just good clean sport among the "boys," and never goes beyond the leveling of personal attacks upon each other. Such criticism, for example, never discusses the fact that perhaps there is something wrong with the "system" that allows so many important people to commit such terrible crimes. Also, general criticism about how the Government is inefficient and how many of its members are corrupt apparently is permissible so long as the writer does not cite too many specific cases or call for a wholesale cleaning of Government offices. This is especially true if the writer ends his "attack" with a pious appeal to the Government to clean itself up lest a catastrophe befall China in the form of a new Government.

Despite this generally sorry condition of the press there are some bright spots. Some newspapers and magazines attempt to do an honest job. Many more did in the past, but some of them no longer exist, having been closed because they gave aid and comfort to the "bandits," or because they offended "public morals." Those remaining operate under considerable pressure and, frequently, do not know from one issue to the next, just how many more times they will go to press. However, the fact that they have been able to continue as long as they have indicates that their editors are past masters in the choice of characters with delicate shades of meaning or with obscure literary references and in gauging official temper at any given moment. Some issues are of a stronger tone than others. Through experience, the editors are able to impose just the proper amount of self-censorship, after balancing the paper's "background" against current attitudes in the Government regarding criticism. This is a delicate job, since all factors may change at a moment's notice. The important official or individual who, for one reason or another, puts out a reasonably honest and enlightened publication, may today be in high favor and able to get away with almost anything, may not stand so well tomorrow. On the other hand, the Government, smarting under critical editorials in American newspapers about the most recent suppression of a critical publication, may be inclined to treat offenders against public "morals" or aiders of the "bandits" with increased leniency for a short time. Likewise, in a period when the Government lets down its hair, during which the Generalissimo roundly castigates all in sight, comparing Government offices to yamens, etc., editors may get away with quite a bit.

As things stand now there is no legal censorship to the extent that an editor can go to an appropriate Government bureau and find out what he can print and what he can't. An exception, of course, may be found in the regulations governing the press. However, they really do not give an editor very concrete guidance. The threat of censorship is held over every publisher's head by the innumerable sets of emergency regulations which have been promulgated since VJ Day giving the authorities control over everything. Another weight held over the press is the realization that quite a few publications have been suspended or closed during the past three years for violations of one kind or another.

The most definite of all the restrictions placed on the press is the law requiring each publisher to obtain a license before beginning publication. Criticism of this regulation draws two kinds of answers. One is that this is merely a method of regulating the number and type of publications and is only a formality and has nothing to do with censorship. The other is that by regulating (and restricting) the establishment of new publications the Government saves scarce newsprint. Despite such answers, most publishers claim that any investigation of the licensing system reveals clearly how it works. It is a restriction of the freedom of the press.

As the more critical publications are killed off or brought into line by the authorities and as the issuance of new licenses is carefully considered, the situation is slowly developing toward the day when China will have a fairly rigidly controlled press, with all organs of information either in Government hands, or in the hands of its friends —the officials, favored families or individuals and the political cliques.

The fact that the rumor of impending formal censorship has cropped up again, even though it has been denied, has done its bit of harm. The

rumor served to remind all editors that the Government, merely by invoking Articles 22 and 23 of the General Mobilization Law, can impose censorship at will. It is most likely that, with the military situation not being entirely satisfactory to the Nanking Government, we are about to enter upon another period during which editors will have to tread even more carefully and depend mainly upon the squabbles among the important personages for opportunities to "crusade."

Intervention Headache

A RECENT story from Athens which described differences of opinion between the Greeks and the American military advisory group contained a few observations which might well be noted in this country where a somewhat similar undertaking is in progress. According to the story, not only is there an argument between the Greeks and the Americans, but there is a serious difference of opinion among the American advisors themselves.

US aid to Greece, it will be recalled, began more than a year ago when on March 12, 1947 President Truman charged that the Greek guerrillas, a Communist outfit, were receiving aid from "abroad" in their fight against the recognized government of that country. Money, materials and men were authorized by Congress, which allotted US$300,000,000 for the program. Prior to this, the US had authorized a total of US$624,000,000 in UNRRA assistance, Lend-Lease, etc. for Greece from July 1, 1945 to June 30, 1947. Thus, from the time of the end of the war in Europe until the beginning of the new fiscal year on July 1, 1948, American taxpayers had been called upon to pay out US$924,000,000 in aid to the Greek Government and people. This makes a total of approximately US$125 for every Greek man, woman and child, allowing for a population of 7,450,000 as given by the 1948 World Almanac.

Because of the Communist-led revolt and a generally acknowledged inefficient and corrupt government, UNRRA and other assistance totaling some US$600,000,000 failed to put tiny Greece on its feet following the country's liberation from the Germans. Last year an additional sum of US$300,000,000 was appropriated. Despite all this, it seems that conditions in Greece today are still far from satisfactory. Several final "mopping up" attacks against Greek guerrillas have been launched, but there still seem to be plenty of guerrillas left to shoot at.

The situation is particularly well described by a few paragraphs of the aforementioned article: "One faction believes the job is impossible under present conditions and lays most of the blame on the Greeks. The extreme members of this faction speak bitterly in private of 'international blackmail.' Directly opposed to this group are American elements, some of them highly placed, who have taken a rosy view of problems all along and steadily predict successes, many of which have still failed to materialize.

"In the middle ground is a small but realistic group which is convinced that for world political prestige alone the United States must continue in Greece, but that it is almost traitorous to delude the American people with reports of insecure triumphs.

"After a year and a half of struggle, it is apparent to practically everybody that it will take much more than the few hundreds of million dollars first estimated to revive Greece and a far longer period than originally planned."

While it would be unfair to compare the situation in Greece with the situation in China and attempt to predict coming events here solely on the basis of what has happened in that country, there is enough similarity to make a study of the Greek situation instructive.

Following liberation from the Germans, a Communist-led rebellion, consisting mainly of guerrilla tactics, broke out in Greece. The recognized Government, restored at the end of the war by the British, proved extremely unpopular and incompetent. The British maintained troops in the country to preserve order for considerable time. In addition the British gave aid to the Greek Government in the way of military and other supplies. When the burden became too great for Britain, the United States took over Britain's "commitments," and an integrated military and economic program, coupled with a mission composed of advisers for all phases of government, was the result. This mission has been operating in Greece for about 18 months and has presumably spent US$300,000,000 of the American taxpayers' money. Very little has been accomplished, as pointed out in the aforementioned article, aside from the development of short tempers among the American mission personnel.

Following liberation from the Japanese, civil war between a Communist-led rebel group and the National Government broke out in China. The recognized Nationalist Government was aided in reoccupying the Jap held areas by the United States which further attempted to aid the country and bolster the postion of the Government by large-scale aid. Lend-Lease, UNRRA, surplus property sold on credit, and, finally, grants in aid were given.

American attempts at mediating the Civil War failed and more and more aid was given to the Nationalists. Three years and more has passed and more aid is needed. During this period the Chinese rebels have improved their territorial position considerably.

The situation in China today might be loosely compared to that prevailing in Greece a year and a half ago, i.e., the position of the recognized government is serious, if not critical. Swift and effective action is needed. The American Government has sought to meet this crisis by the formulation of a new aid program which is on a somewhat expanded scale and which envisions increased participation in the affairs of the country by American advisers. It is yet too soon to make an intelligent guess as to how effective this new ECA program will be. However, as we pointed out editorially last week, there are many ideas

and shades of opinion upon the subject of how to aid the Nationalist Government, or to put it more plainly, how to halt the spread of Communism in China. As we mentioned last week one question bound to arise because of the increased American participation in the aid program is that of China's sovereignty. This problem has arisen in the case of Greece. The article quoted in the foregoing paragraphs says:

"Many observers believe American difficulties in Greece stem from the shape of the aid program itself. As it stands it is a compromise between interference in international affairs of a foreign nation and an attempt to let the Greeks work out their own destiny. All Americans here agree that direct colonization of Greece and American control of administration would be the simplest and most practical way of putting the country back on its feet. But this would violate the traditional American approach to other nations and they say efficiency has been sacrified for 'advising' and 'recommending.'

"The Greeks feel that America must stay and finish the job, no matter what the cost or time. Most Americans ruefully agree and add parenthetically that Greece appears to be in the driver's seat. A summer long Greek-American squabble over the size and equipment of the army has been climaxed by the Greek demand to Marshall for more troops and material."

It is by no means certain that the pattern in China will be the same or even similar, but there is always the possibility that one can learn from experience and perhaps avoid some pitfalls if they are pointed out in time. One thing is certain and that is that the task of defeating the Chinese Communists is a lot bigger job than defeating the Greek Guerrillas. The country is vaster, while the entire population of Greece probably does not exceed that of the cities of Shanghai and Nanking combined. Nearly US$125 per head has been spent in Greece. So far the amount appropriated for China, although in toto a great deal more than that given Greece, amounts to only a few dollars per head.

In this editorial and in preceding ones we have pointed out several problem, as well as several viewpoints. We would be interested in hearing the views of our readers on the big question of how to halt Communism in China, as well as on the various related subjects, such as what type of American aid is needed and how best it could be given.

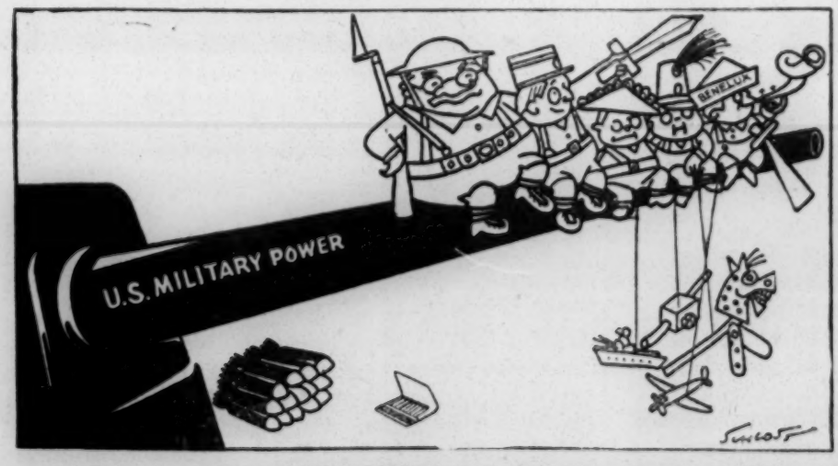
The Whole Truth?

THIS week the Board of Supplies of the Executive Yuan (BOSEY) issued a reply to criticism appearing in the local press which charged that surplus US materials sold to China were rotting in BOSEY depots on Point Island. BOSEY termed the criticism levelled by the press as "utter misrepresentation of actual facts," and claimed that the reason why so much junk could be observed in Government depots on Point Island was because the supplies were junk when turned over to China by the US Government.

Like all such arguments between two parties, there is much truth in what each says. Also, there is likely to be some avoidance of unpleasant facts by each of the contendents. However, the situation today actually is very simple. The Chinese Government has huge piles of rusting and rotting machinery and other supplies stored in many depots in China as well as on various Pacific Islands. The Chinese Government excuses itself for not making use of this material by claiming that the staff was unusable when the American Government originally sold it to China and that the present hopeless condition of most of the material is not the result of Chinese inefficiency, but rather the fault of the Americans. The Americans, while admitting that much of the material was damaged or badly worn, deny that any sizable proportion was junk. Rather, the Americans claim, the material was largely usable at the time the Chinese bought it but that since the Chinese have not used it nor taken care of it for the past three years most of the stuff certainly is junk today.

Since it was an editorial in this magazine early last month which started the current argument, we feel some responsibility in the matter. At that time we said if China were really serious in her talk about self help, she could do a lot with the huge quantities of surplus property at present stored in unprotected depots on Point Island. We were not so naive as to imagine that the poor use made of UNRRA and US military, surplus supplies was entirely China's fault. We pointed out that a great deal of the blame rested with the Americans. "While UNRRA brought much useful material to China, it also brought a lot of goods which were utterly useless....The same goes for China's credit purchase of US

CHILD'S PLAY



This cartoon from THE NATION portrays the various countries of Western Europe as children when it comes to matters of armed might. They are shown as little boys playing soldier with their own toy weapons but backed by sturdy American weapons.

surplus property from the Pacific. (There was not) adequate knowledge of what China needed or could use or how fast she could consume foreign aid. One result was the dumping of thousands of tons of usable and non-usable stuff on Shanghai's docks." In fact, it seems that we even anticipated BOSEY's answer, saying, "While the standard official excuse has been that much of the material is useless, the fact is that there are great quantities of very useful materials lying around in the sun and rain which should have been disposed of long ago."

It seems to us that these few lines which we have quoted underline sufficiently the fact that the criminal wastage of good supplies was an American responsibility as well as a Chinese one. However, what was junk and what was not has little bearing upon the matter now. That is all past history and, presumably, has been partially concluded with the sale of much of the material back to the United States for scrap iron. We would imagine that most of the completely unusable stuff has been disposed of in the two or three multimillion dollar sales concluded between the Chinese Government and representatives of American steel mills who have been combing the Pacific islands for the past year or two.

The important thing now is to prevent what's left from rotting away or becoming useful only as scrap for the American blast furnaces and factories which originally, and at great cost, produced these very materials for the war against Japan. We would hazard the guess that a very large proportion of the materials now lying on Point Island is still usable today.

In a few months the situation may be different after the winter rains have beat down upon such things as the thousands of board feet of lumber lying in more than one Point Island depot. How can BOSEY explain the fact that the lumber is there and can be proved to have been there for months and months without being used, despite the fact that the shortage of lumber and its consequent exorbitant price has been one of the contributing factors to the lack of building in Shanghai? How can BOSEY defend its haphazard dismantling of barges and machinery in such fashion that the lumber from the crates has been strewn about the depots at random to rot or be picked up for firewood by chance strollers by? How also can BOSEY justify the non-use of many different types of machinery, now covered by vines and weeds, which by the paint, tires and other identifying marks can be proved to have been brand new and unused at the time of its storage on Point Island?

It would seem that BOSEY has wasted a lot of time in making excuses which may sound plausible to the uninformed but which fail to conceal the fact that while officials are busy blaming others for their predicament, more materials on Point Island are becoming useless.

25 Years Ago
In The Weekly Review

Good Cantonese Money

October 13, 1923

The guerrilla warfare in progress in Kwangtung between Dr. Sun Yat-sen's Kuomintang Party and the factions led by Shen Hung-ying and Chen Chiung-ming has swallowed up an enormous sum of money since early January 1923, and most of this sum has come from the Cantonese and has gone into the pockets of the Yunnanese troops. Good Cantonese money has found its way to Yunnan and other places through the payment of newly created war assessments and losses in gambling and opium traffic, for the protection of which non-Cantonese mercenary troops have realized not a small fortune.

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Laborers' Hey-Day

Tokyo now has a shortage of labor; more barracks have been erected and the people are coming back. Wages are high and money circulates freely, causing the shopkeepers to set up little temporary stores to gather in the cash that is always so quickly spent. The government had early proclaimed an emergency supply law enabling it to buy, sell or exchange daily necessities and this kept the prices near to normal although the tendency is toward rising values, in keeping with the advance of labor. Common labor is scarcest and this is the kind for which the government finds it difficult to fix the price. It is the hey-day of the laborer, as it was in the United States during the war. It is the so-called white-collar man who is feeling the pinch in Tokyo these days.

10 Years Ago In
The China Weekly Review

People's Sacrifice

October 15, 1938

In a special message to the nation, General Chiang Kai-shek called for further sacrifices to secure the independence and liberty of China. General Chiang recalled the statement he made on October 10, last year, when he said that China was not fighting for six months or a year, but would continue resistance until her independence was completely won and the principle of international justice upheld. Fifteen months have elapsed since the campaign of resistance started. In order to attain permanent peace and save the nation from extinction, General Chiang urged that the people must be prepared to make even greater sacrifices. Reaffirming the unconquerable spirit of China, the message concluded with a stirring appeal, "Let us fulfil our historic mission with determination and bear our hardships uncomplainingly."

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Plans For Palestine

The *London Daily Express* stated on October 8, in an editorial, that it regarded it as highly probable that the outcome of the conversations conducted in London between the British High Commissioner for Palestine and the Secretary for the Colonies will be the abandonment of the plan for a partition of Palestine into three parts. The British government will nevertheless dispatch further reinforcements of considerable strength to Palestine in order to strengthen the present British garrison in the mandated territory and to enable the latter to restore peace and order. It was pointed out that a restoration of normal conditions is imperatively necessary before the alternative solution of the proclamation of an independent state of Palestine can be seriously considered. Political quarters in London regard it as useless to make plans for the future of Palestine as long as the present extremely strained situation continues.

Viet Nam's Three Year War

William Johnson

RECENT press reports from Saigon state that French military circles have again expressed the opinion that it is impossible for the French forces to defeat the Viet Nam resistance. This understandable pessimism is fully justified by the present military situation in Viet Nam, where the French forces are contained within the gradually shrinking perimeters around the few French-occupied cities, apparently unable to provide adequate defense against the Viet Nam attacks which have, within recent months, become increasingly stronger.

For more than three years France has waged a full-scale war against the Viet Nam Republic, and the well-armed, American-equipped, numerically superior French forces, supported by planes, tanks and gunboats have been able to gain only an insecure occupation of a little less than five per cent of the territory of Viet Nam. Hostilities broke out on September 23, 1945, with the joint attack by French, British and Japanese troops on Saigon. As in Indonesia, Japanese troops were not disarmed but used against the national liberation movement.

Faced By Chaos

At that time the Viet Nam Republic had been in existence for only a month, and faced with the chaotic conditions created by the Japanese occupation and by French collaboration with the Japanese, neither the government nor the people desired to engage in a further war, nor did the Viet Nam government have the necessary means to resist French force. It was hoped too, that the noble pledges of the Atlantic Charter and the United Nations would be honored by France, but instead, French aggression continued after the attack on Saigon, and French troops attempted to extend operations throughout the southern part of Viet Nam.

Saigon was finally brought under French control after weeks of bitter and bloody house-to-house fighting, although the Viet Nam defenders were, as correspondents on the spot verified, in many cases armed only with knives or wooden clubs. The Viet Nam forces were at that time made up of small scattered units of the National Liberation Army which had been formed in 1943 from the guerrillas who had fought the Japanese and the collaborating Vichy French since 1940. Yet, these bands held back the French troops and restricted French occupation to Saigon and one or two other centers. As the French intention to reconquer Viet Nam grew, as pledges and agreements undertaken by the French were repeatedly and deliberately violated, so the Viet Nam resistance stiffened and the destruction of highways, bridges and railroads which had been carried out by the guerrillas during the war years was renewed, and every French convoy attempting to pass was ambushed for the dual purpose of preventing a French advance and to secure arms.

Militarily the French had every advantage: experienced generals, battle-seasoned troops, abundant supplies of arms and equipment; but these French troops were fighting not only the ragged guerrilla bands, but the entire population. Nor did the calculated mass slaughter of the inhabitants of entire villages have the effect the French anticipated, but instead heightened the determination of the people to die rather than suffer the miseries of French domination.

Fighting was taking place only in the south until Chinese forces, who, on the instructions of the Allied Pacific Command, had undertaken the disarming of the Japanese troops in Viet Nam from the northern border to the 16th parallel, were replaced by "French forces." The repeated gestures of conciliation and the endless concessions made by the Viet Nam government failed to prevent the widening of hostilities. Immediately the French forces launched a series of provocations—in one instance killing over 2,000 civilians in Haiphong, and on December 15, 1946, Hanoi, at that time the seat of the Viet Nam government, was attacked without warning, in the same way as the assault had been made on Saigon, and like Saigon fell only after several weeks of fighting. The French captured Hanoi, Haiphong, Haduong and a few other strategically important centers, but as in the south the active resistance of the guerrillas, and the passive, but often active resistance of the population pinned the French down within these towns.

Resist To End

It was evident that the attempt to reimpose French colonial rule on Viet Nam would be resisted to the end, but rather than recognize the independence of Viet Nam and the elected government of Ho Chi Minh, the bleating right-wing socialists and the fascist-minded conservatives who dominated every successive post-war French government devoted every effort, with American and British support, to reducing Viet Nam once more to the status of a colony. French forces were gradually built up by the mobilization of French youth and by recruiting former SS troops and war criminals of every country in Europe into the dishonored ranks of the notorious Foreign Legion. The French fighting effective thrown against the Viet Nam Republic was more than 150,000 men.

The guerrillas had the considerable advantage over the French of knowing the strength and disposition of the French forces, and of being warned in advance of French plans. This information came from Viet Nam agents, some of whom were even enlisted in the French armies. On the other hand the French had no foreknowledge of any operations which the guerrillas carried out. The Viet Nam attacks were, in consequence very destructive and very demoralizing. Apart from the looting and raping expeditions of the French troops, the fighting was for the most part small scale clashes, for the Viet Nam guerrillas were unable to operate in large groups, and being inadequately armed could not engage numerically stronger French detachments.

Forces Strengthened

During the period from November 12, 1946, when the French violated the cease-fire order of October 31 to the autumn of 1947 the Viet Nam forces were strengthened and coordinated into a more cohesive organization. The military resistance was carried on by three distinct forces: the regular army, the guerrilla detachments and the people's defense units, all under the overall direction of the Viet Nam High Command headed by Vo Nguyen Giap. During this period the regular army in particular was built up for anticipated large scale engagements in the future, but for the time being guerrilla operations remained a form of defense. The people's defense units came to play an increasingly important part in the resistance. Formed from the young men and women of the villages, those units met any sudden attack by covering the evacuation of the population and food supplies and holding off the attack as far as possible until the regular army or guerrilla forces arrived.

The resistance also became more effective as the Viet Nam forces were more fully armed. A large quantity of modern weapons was captured from the French and these were supplemented by arms manufactured in small workshops in almost every village. The locally made arms were mostly bazookas, mortars, grenades and mines which could be turned out fairly easily, and which did not require much machining. Subsequently, a number of Viet Nam workshops have been producing well-finished reproductions of captured American small arms. The problem of food was also solved for the civilian population and for the armed forces by merely increasing production of food crops. Some remarkable results were achieved by Viet Nam scientists in canning fish and meat, although no modern machinery was available. There remained and still remains the difficulty of communications, since the French blockade made it quite impossible for any equipment, such as urgently

needed radio transmitters, to be brought in from other countries. Nevertheless, effective liaison between all regional commands of the Viet Nam forces was achieved, although in many cases messages were transmitted by relays of couriers, no other means being available.

Early in October 1947, the French launched a full-scale offensive against northern Viet Nam, designed to "facilitate negotiations with Bao Dai" by smashing the resistance. This ambitious undertaking aimed at containing the Viet Nam forces within an iron circle and then systematically annihilating the surrounded "insurgents." It was also the unconcealed object of the French to capture the Viet Nam government and the Viet Nam High Command, but these expectations were never fulfilled. About 15,000 French troops, including a number of British trained and British armed paratroop units, were thrown into this offensive with naval and air support.

Retreating before the heavy French armor, the Viet Nam forces gave ground, and then suddenly counter-attacked, cut the French lines of communications, and the much-publicized offensive became a disorderly rout. The most spectacular encounter of this campaign was the engagement of several French gunboats on the River Lo by Viet Nam forces using recently captured field artillery. Five French vessels were sunk. During this winter offensive, the Viet Nam forces for the first time engaged the French in pitched battles, and emerged victorious.

Offensive Smashed

Within six weeks the offensive had been completely smashed, and pursuing the retreating French towards Hanoi the Viet Nam forces regained a number of important points within the area around the northern capital. French losses had been crippling, both in men and equipment. There had been over 6,000 French battle casualties, 11 planes had been shot down, several gunboats sunk and a number damaged, while large quantities of weapons and supplies had been captured by the Viet Nam forces.

The decisive defeat of the French winter offensive brought about a radical change in the relation of the opposing military forces, and opened a new phase in the conflict. Hitherto the French had been able to concentrate large masses of troops at any one point, but this was now no longer possible. Even during the winter offensive the French position had been gravely weakened when the Viet Nam attacks in central and southern Viet Nam, coinciding with the Viet Nam counterattack in the north, prevented the sending of any reinforcements to stem the French retreat. Finally, the Viet Nam forces began to approach a parity with the French forces. This has been illustrated by the fighting which has taken place during 1948.

Several attempts have been made by the French to develop large-scale operations during the current year but without success. In February, a French offensive was developed against the Viet Nam stronghold in Plaine de Joncs west of Saigon with the hope of relieving the constant threat to Saigon. As in the northern campaign, heavy, but more localized fighting took place for several weeks and then at the end of March the offensive was called off, having accomplished nothing. The daily attacks on French troops and French installations in Saigon continued without interruption.

The ability of the Viet Nam forces to concentrate in large groups was demonstrated by the spectacular attack on a large and heavily guarded French convoy between Saigon and Dalat on March first, in which it was estimated that 2,000 Viet Nam troops took part. More than 600 French troops were killed in the attack and 62 French vehicles were destroyed.

A concerted attack against the Viet Nam forces in Central Viet Nam had been planned by the French for April, 1948 to coincide with the proposed establishment of the puppet "Central Provisional Government" which was not set up until June. French troops were massed in readiness along the Laos border and at various key points on the coast, but the serious reverses of the past months evidently proved a deterrent and the attack never took place.

The French Command is faced with the added problem of the rapidly deteriorating morale of the troops being used in Viet Nam. The indecisive unwillingness of conscripted French youths, the sullen rebelliousness of the Moroccans and the dissatisfaction of the mercenaries of the Foreign Legion have grown more marked after persistent set-backs, hard fighting, frequent lack of food and high casualties. There has been a significant increase in offenses against discipline during 1948, despite the institution of heavier penalties. Desertions from the French forces, rare in the early period of the war, exceeded 1,200 in the first six months of this year. Amongst officers corruption is rampant. There have been several convictions for embezzlement and theft, including cases of army rations being sold on the black market.

Hopeless For French

An *Associated Press* dispatch from Saigon, dated April 2, painted a hopeless picture for the French. The dispatch stated:

"The French today, explains one informed source, with the troops they have, cannot, on the field of battle, force a successful conclusion to their fight with the guerrillas opposing them . . . To wipe out effectively the resistance, French military sources estimate, would take between 300,000 and 500,000 crack troops. The French now have about 110,000 troops here. Replacements reportedly now are slightly less than losses due to demobilization, battle wounds and disease."

Since April, the French military position has deteriorated even further. Basing their attacks on a long-range strategy, the Viet Nam forces are gradually wiping out French outposts and thereby permitting increased pressure to be developed around the cities. Hue, the seat of the former imperial court in Central Viet Nam is almost completely besieged. Hanoi has been shelled several times with heavy mortars. Soctrang, south of Saigon, has been attacked several times with considerable success. In Saigon a curfew from 7 p.m. to 5 a.m. has been in force for some months. The destruction of rail tracks and rolling stock has been so considerable that even irregular communication between French held areas is almost virtually impossible. A more recent indication of the Vist Nam military strength was an attack carried out on French positions along a 45 kilometer stretch on the Haduong-Hanoi highway. French installations were captured and destroyed before the Viet Nam forces retired. The fact that an attack of such strength could be carried out in an area which they previously could hold, again demonstrates the weakness of the French position in the strategically important city of Hanoi.

Doubtful Advantage

At present the French are still able to maintain control of the occupied cities, but this constitutes a very doubtful advantage, since the defense of the these cities is both difficult and expensive. It is only the lack of heavy artillery that prevents a Viet Nam assault on these strongholds, but what could be quickly accomplished by such attacks is being achieved slowly by the tightening of the Viet Nam encirclement of these centers. There is in fact little point in the French continuing to hold the cities they now control, for there are practically no exports to come from the interior, no taxes can be extorted from the population in the countryside, and while the French remain and refuse to come to a settlement the destruction of French property and French enterprises continues.

A delay in the conclusion of the conflict is of far less consequence to Viet Nam than to France. With French troops unable to penetrate the rural areas, inhabited by almost the entire population of the country, the Viet Nam government can carry out its program for the development and rehabilitation in every sphere. But to continue the war in Viet Nam, France, already bankrupt, is forced to expend up to US$1,500,000 per day, which is even more since the devaluation of the franc last February. It is a burden which the collapsing economy of France cannot endure, and the question of military credits, it may be recalled, has brought about the fall of almost all the postwar governments in France. France cannot continue the war indefinitely.

UN: PEACE WHILE THEY STILL TALK

Jacques Decaux

Paris, September 19 (by airmail).

THROUGHOUT the world there is always a special segment of the public which is quite keen on participating in premieres of all sorts. Some people rush to see the opening of a new play, others must have one of the first copies of a new book and still others have to be present at all the leading coming-out parties.

Few Attend Meeting

However, in Paris, the UN Security Council failed to entice very many people to its opening. About 1,600 invitations were sent out to prospective patrons for the first Paris meeting of this august body consisting of 11 men coming from all parts of the globe.

Of course, the officials who passed out the invitations assumed that these 11 men had something to say, both to the world at large and to its audience. The tickets were free and yet only 30 persons showed up, not including the members of the press who were duty-bound to attend. There was no rush, no gate-crashing, no excitement—just apparent apathy.

The huge Chaillot theater, scene of the meeting, was buzzing but this mainly was a result of the droning of the delegates or the translator, with additional sounds emanating from the ranks of the journalists chatting among themselves and now and then listening to what was being said.

What about the delegates themselves? Some of the society ladies who had nothing better to do and so were present found Russia's Jacob Malik worthy of their glances. Soft spoken and handsome, Malik did not disturb the atmosphere of elegance by berating Western imperialism or the evils of capitalism. Thus, everything proceeded quite smoothly and nobody was ruffled.

The chief problem at this first session was Hyderabad. The whole thing was a tragedy and it fell quite flat. At first, each delegate stated that something must be done. Then, feeling that his duty had been done and he was entitled to a rest, everyone was more or less in favor of adjourning for four days. But the Argentine delegate felt that the disputing parties should be heard immediately.

The Indian and Hyderabad delegates were called before the U-shaped table and each took a seat at the opposite end. The Hyderabad delegate then proceeded to read a rather long speech which was not very easy to understand in view of his poor (to Western ears) pronunciation. A Chinese correspondent, after listening intently for a while, remarked, "Weak people always talk a long time." After an equally long translation into French, the Indian delegate expressed his views on the matter. Then to the relief of all concerned the session was adjourned.

The Hyderabad man seemed to feel that the Security Council was not very eager to help settle the case. In fact, that evening, things did not look very cheerful from his point of view since Council affairs were to be discussed and, before that was settled, Hyerabad might very well be overrun 10 or more times.

Like Manchuria Affair

The prevailing atmosphere might be likened to the time the Chinese brought the Manchurian affair before the League of Nations. Who cared? Why couldn't China behave and solve its problem directly with Japan? The League had many other problems to solve which were far more important.

This time, the Hyderabad affair seemed to belong to the happenings on another planet. It was felt that if things were allowed to linger long enough, some solution might come by itself without involving anybody's responsibility. And so it came to pass. On that very evening, it was announced that His Exalted Highness the Nizam had surrendered. If the delegates had been in session at the time they could have voted to censure Hyderbad for being intentionally troublesome.

* * *

On another evening, I heard via the French radio that the Security Council had made some important decisions concerning the death of Count Bernadotte and future action in Palestine. Needless to say, this assassination of the UN delegate in Palestine was very sad, useless and disturbing in an already overdisturbed world.

The broadcast was quite amazing to anybody who had attended the session. Of course decisions had to be made about a solution to the Palestine problem but it is quite clear that if all the Palestine mediators sent by the UN are to go to a certain death, the already waning prestige of the organization will be scattered to the winds.

When some conclusion has to be drawn by visiting journalists, they look at each other and then decide that each one, according to his nationality, will publicize his own delegate's words. Aside from this there was nothing.

One delegate stated to this correspondent, "It's too early to come to any decision." There are evidently two policies. One carries with it responsibility, the other carries with it "live and let live and enjoy Paris and its attractions."

Status Quo Kept

At the time of this writing, Paris had experienced two sessions of the Security Council, and though some people were trying to make a big show of it, it appears that we are in for much talk without the solution of any important issue. This seems to be the case even if both the Council and the General Assembly were to sit every day for six months.

Thus, we arrive at the question, "Is it worth spending so much money on such an enormous but ineffective organization?" The outlook is not very bright but as some wise men say, "While they talk they don't harm anybody." In other words, while discussions are carried on, the status quo between War and Peace is maintained. And this, in itself, is a good reason to allow UN proceedings to continue.

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Autumn Comes To China's Battlefields

Alec Stock

("Autumn, with horses growing ever so fleshy and weather ever so fine, ushers in a season of war."—translated from a T'ang poem.)

The Chinese have always thought of autumn as a "season of war," or at least a season during which battle could be fully and satisfactorily waged. However, it is not "season" alone which underlies the situation now prevailing on China's vast battle-ground. The present stage of the Nationalist-Communist war is the logical continuation of events which have preceded it during the past two years.

Nationalists Forced Back

No one will deny that for the past two years the Nationalists have gradually been forced back on the defensive until today almost every offensive action in the Civil War is carried out by the Communists. The changes brought about since war was resumed in 1946 have been numerous. One of the most obvious has been the change in the numerical ratio of the troops involved. Partly as a result of the deliberate war of attrition waged by the Communists, this ratio differs greatly from that of two years ago.

In July 1946, the proportion between Government and Communist troops was roughly 5,000,000 to 2,000,000. However, according to a *UP* report on June 24, 1948, General Ho Ying-chin, Minister of National Defense, admitted before the Legislative Yuan in Nanking that "the troops of the Chinese Communists have increased from 320,000 in 1945 to 2,600,000; whereas those of the Nationalists have decreased from 3,700,000 in 1946 to 2,000,000."

In the matter of offensive power, during 1946, the first postwar year of the present struggle, it was the Nationalists who generally assumed the offensive. However, by 1947, the situation had already changed and the three-pronged drives led by Communist Generals Liu Po-cheng, Cheng Keng and Chen I, not only spread the war throughout Nationalist territory but forced General Chiang Kai-shek to fall back on the defensive. This change of position by the two struggling factions has naturally had a great influence on the war. It revealed that the Government's desire to wipe out the Communists completely was thwarted. In fact, as a result of going over to the offensive, the Communists have had the opportunity of maintaining relative stability in various portions of their territory and thus were able to put into effect those reforms deemed essential to obtain support against the Nationalists.

With battle zones now in the Kuomintang rear, the Communists also have been able to secure food, supplies and soldiers from areas once in the hands of their enemies. At present, almost 30 percent of the total fighting forces of the Nationalists are tied up in areas within the confines of the Yellow, Yangtze, Hui and Han Rivers, thus enabling the Communists to launch their campaigns in the north.

With the initiative passing over to the Communists, the Government adopted its all-out defensive strategy and this, to some extent, has added to the difficulties of the Communists. What has happened is that the Communists are no longer able to enjoy so many of the advantages which accrued to them when they had the much longer Nationalist communication lines to cut and could gnaw away, bit by bit, at Government troops which were scattered far and wide. With the adoption of the new Government strategy, the Communists were forced to fight in areas which were strongly fortified and heavily manned by Nationalist troops.

July Battles

In July, the first month of the third year of war, big battles raged in the flooded areas of the Yellow River, Hsiangyang, Wancheng, Taiyuan and Yenchow. Statistics of the National Defense Ministry for that month reveal that the number of troops mobilized and the drives launched by the Communists are roughly equal to the total for April, May and June of this year. They also reveal that the Government lost almost 16 brigades, totalling 360,000 troops, which was 120,000 more than their top record for losses in any one month—December of last year—and equal to one-third of the total Government losses in the first year of war and equal to one-fifth of their losses in the second year. Government losses in weapons also were great. In July 1948, they were reported to have lost half the total quantity lost in the first year of the war and one-third of the total lost in the second year's fighting.

The implication gathered from figures such as these is that the Civil War is now entering a new stage, one in which the Communists may be contemplating assaults on their opponents of a far different nature than previously. This is the stage which autumn 1948 finds in China's cruel and bloody internal strife.

* * *

In the face of more violent storms, the Nationalist High Command still continued to pin its hopes on concentrating its troops and strengthening its fortifications. At the Special Military Conference of the Ministry of National Defense on August 7, it was unanimously decided that the Communists could scarcely open their offensive by wresting Changchun, Mukden, Sian, Tsinan and Hsuchow. Thus, even as recently as August, this supreme military body not only ignored the series of Communist military conferences, but also seemingly failed to comprehend the meaning of the large deployment of Communist troops being made at the time. Thus, rather unperturbed, it dispatched two of General Hu Tsung-nan's divisions to retake Loyang, one division to Taiyuan and a few of General Lee Mi's troops were stationed at the Manchurian corridor to Central China in an effort to "mop up" the bandits in the areas concerned. It seems that the High Command at that time hoped this could turn back the Communist timetable and the Government could then avail itself of three months respite in which to stabilize its economic front.

This plan was shattered by the drive launched by Communist General Peng Teh-huai in the Huang Lung Shan (Yellow Dragon Mountain) locality just a half month later. The 36th Division of General Hu Tsung-nan was incapacitated, and to solidify his position in North Shensi, General Hu was forced to recall the two divisions originally destined to retake Loyang in order to protect Taiyuan instead.

Plans Upset

As a result of Communist resistance and mobile activities in northern Anhui province and Shuyang, a few hundred li from Hsuchow, the contemplated "mopping up" plans of Generals Lee Mi, Huang Pei-tao and Ting Chih-puan in Kiangsu, Anhui and around the Huai and Yellow Rivers went astray. Nevertheless, August was a month of comparative military inactivity. During this time the Nationalists were said to have captured 20 cities and the Communists 12. Notwithstanding whether or not important cities were involved and the undeniable fact that it was the Communists who were on the offensive, this situation reveals that the aim of the Communist troop movements was to break up any deliberate Government plans and to gird themselves for their autumn attack after the August lull.

September witnessed the opening of the Communist autumn offensive. The first 10 days saw rapid movements on the various battlefronts.

Actual fighting first broke out on September 12 in the Manchurian corridor and then on September 16, war came to Tsinan, capital of Shantung province. This was not all, for the war continued on into Suiyuan, the "great rear" of Fu Tso-yi's areas, while skirmishes took place in Central China, in central Shensi, in parts of Kiangsu and Anhui and also around the city of Taiyuan.

The Manchurian corridor is the bridgehead controlling the gateway to Shanhoikuan, where General Fan Han-chieh and 200,000 of his troops are stationed. On it hinges the Government hopes for Northeastern China, for it is here that Chinchow was looked upon as the "tiger cub," whose growing up was to have brought about the relief of besieged Mukden, the "sick tiger," and Changchun, the "dying tiger." It was hoped by both General Fan and the High Command that since Chinchow could breathe easily because of its location, what with Hulutao on one side and the Peining Railway on the other, it could eventually develop into the means of rescuing the two battle-scarred and weakened tigers. Furthermore, it was felt that these 200,000 concentrated troops of General Fan as well as the city's strong fortifications would be adequate to ward off any Communist attempt to take Chinchow.

Value Of Chinchow

The strategic value of Chinchow has been emphasized in an analysis of the "Nationalist military authorities of Northeastern China" *Ta Kung Pao*, September 24, (in Shanghai) in a single statement: "Should the Chinese Communists leave Changchun alone just temporarily and turn their spearheads against western Liaoning and Chinchow, they can control Northeastern China and seize Changchun and Mukden." Strategically, the article went on to say, it would be most logical for the Communists to carry out drives against the heavily manned and strongly fortified Manchurian corridor before attempting to defeat the Nationalists in North China.

A further analysis of the war in the past eight months shows that the comparative calm over the Northeastern battlefront may have been intentionally created by Communist General Lin Piao who sought to avail himself of an opportunity to train his troops still more. This helps to explain why the Communists were able to plunge four columns, totaling 120,000 men, into the battle at the outset of the autumn onslaught and were able to penetrate the corridor and take Changli and other minor strategic points in an attempt at dislocating the Nationalist defense system. It is now believed that the Communist forces in the corridor are already 300,000 strong, which gives them numerical superiority over the Nationalists in the area.

Beginning from September 25, the Communists have changed their strategy from merely dissecting lines of communication to besieging separate major strategic points. Battles of this nature have been reported around Ihsien (communication junction connecting Jehol and Liaoning and the right guard of Chinchow). The city of Chinchow itself, site of General Fan Hanchieh's headquarters, has been under attack and any evacuation of Changchun would mean that its troops were being used to rescue Chinchow. Meanwhile, Suichung and Hingcheng (gateways to North China) reportedly have already been lost to the Communists. In the main fighting around Chinchow the Government seems to be using its air and naval power to compensate for deficiencies in land strength.

* * *

Tsinan Falls

Tsinan, capital of Shantung, which was recently occupied by the Communists after less than 10 days of fighting, is considered to be of great strategic value. "It holds the key position in the control of North and Central China and it possesses the rich resources of Liaotung Peninsula. It is one of the largest cities on the Tientsin-Pukow Roilway, whose trunk lines link North and South China, and is the locality where Premier Wong Wen-hao once sought to build the national capital." (*Front Daily*, Kuomintang Army organ, September 24, 1948).

Because the all-out Communist attack was long anticipated, Tsinan was a heavily garrisoned and strongly manned city. Though some of the figures on the extent of its fortifications are somewhat dubious, it was reported that they were the result of 16 months' labor and consisted of thousands of tons of steel and cement and they were said to be ultra-modern. For this reason, *Tsong Tsing (Creative Evolution)*, a local Nationalist Army affiliated weekly, reasoned before the downfall of Tsinan, "It is no easy job for the Communists to besiege Tsinan, because 1) it is protected by the Yellow River on the north and the hills on the south; 2) it is within one hour's flight of Government air bases at Tsingtao, Peiping and Hsuchow; 3) it is within rescue distance of Hsuchow where heavy Nationalist troop concentrations are being massed; 4) the city itself is of such a nature that escape routes are not many and any trapped Nationalist troops would have no other choice but to be captured or resist fiercely if the city is stormed." (*Tsong Tsing* Vol. I, No. 11)

However, this publication was incorrect. On September 16 the siege of Tsinan began under the command of General Chen I. Four days later the outskirts of the city were seriously threatened and the airfield had already fallen. Subsequently, with the Nationalist troops under Division Commander Wu Hua-wen, which amounted to one-fourth of the garrison force in Tsinan, changing over to their side, the Communists were able to take the business section in the western suburbs on September 21 and on the 24th they had the entire city. Losses for the Government, according to an estimate given at a secret session of the Legislative Yuan, amount to 150,000 troops (*North China Daily News*, September 30). This included the capture of Governor Wang Yao-wu, according to a Communist broadcast picked up by San Francisco.

New Attacks

The same day that Tsinan fell witnessed a flare up in the fighting in Suiyuan. In a concerted attack on the western section of the Pingsui Railway, under the command of Communists Nieh Yung-tseng and Ho Lung, five more Nationalist strongholds, including Tsinsuiho, Liangcheng, Fengtsun, Lingai and Tsining were lost. A serious battle also began in Kweisui.

* * *

In view of the fact that Changchun and Mukden have long been great burdens to the Nationalists who have had to maintain large forces there and have had to mobilize a good portion of their none too large air force to fly in food and supplies, it is entirely possible that either one or both of these cities may be evacuated in line with recent reports on the subject.

Such an evacuation would make the determination of the Government to use the evacuated troops in a last ditch attempt to stem the Communist tide in the Northeast. This would be a bitter and violent struggle for "the Communists in the Northeast have, after six months' reorganization and retraining, improved their combat strength and battle tactics, particularly in assault warfare. Large scale practice was carried out in the Szeping area where they have had much experience. Moreover, General Lin Piao has repeatedly cautioned that hit-and-run tactics are no longer desirable. It appears more probable that the Communists have by now acquired the necessary experience for positional warfare and in the coming struggle in the Northeast, the Communists will, instead of employing their old guerrilla tactics, organize assaults aimed at crushing the Nationalists," (*Ta Kung Pao*, September 24).

In North China, Nieh Yung-tseng's drive into Suiyuan seems to have a long range aim behind it. It is a movement to distract General Fu Tso-yi's attention and may be the forerunner of fresh Communist sorties into the Peiping, Tientsin, Paoting and Kalgan area. However, because of the large number of troops under General Fu, it seems probable that General Nieh may only try to grab off one of two of these points before the end of winter. All signs point to the Government defense system in China remaining intact for at least a while, although it is possible the Communists will gradually weaken it by tightening their grip on the area between Peiping and Tientsin, by cutting off Kuomintang communication lines and creating a favorable condi-

tion for themselves and thus trap a number of Government troops in this area.

While this is going on, it is also possible that in the Northwest, General Peng Teh-huai will fan out in a flanking movement against Sian to coordinate with Communist activities in Central China. Directly to the north, long isolated Yuling may fall to the Communists in the face of consistent assaults.

However, it is in Central China that the most crucial war area exists. The rapid denouement of the battle for Tsinan "not only threatens the areas around Nanking but indirectly weakens the position around the Kuanchun and Kuangtung area in Anhui. In fact, it marks the end of the battles in the valley of the Yellow River, and the beginning of the war in the valley of the Yangtze," (*Voice of the Masses Weekly*, associated with the Army, September 25). It can be predicted that if and when that day does arrive, the Communists will throw every ounce of their strength (amounting to about 200,000) now fighting in Shantung into the Central China fray.

Communist Strength

"The fall of the Shantung capital after only a week of direct attack brought the Nationalist Government face to face with the fact that the Communists have grown sufficiently strong to attack, and possibly capture any city north of the Yangtze....Storming Tsinan shows the Reds no longer fear a direct attack on Government-held positions." (*AP*, September 25).

It is assumed that the Government has seen this danger and is rushing its forces from around Hsuchow to halt the Communists rolling south, while troops under General Chang Tsun are going to attempt to check the advance of Liu Po-cheng's armies along the southern section of the Pinghan Railway. However, Communist forces in southern and southwestern Shantung and in areas south of the railway may fight their way out and merge with their comrades in arms to form a large-sized and strong army in the hope of seizing the initiative in Central China. This battle, according to the already quoted *Tsong Tsing Weekly*, "will spread far and wide encompassing northern Kiangsu, northern Anhui and central Honan. It will involve about 700,000 Communist troops and it will be larger than the battle fought in the Yellow River area in July. It will be a battle on which will hinge the fate of the territory south of the Yangtze." And, above all else, it will climax the present Communist offensive.

In the final analysis, war is merely a continuation of politics and China's Civil War is no exception. It will go on until it arrives at its natural conclusion. Politically speaking, no compromise seems to be in the offing. Undoubtedly, the Government is determined to hold out to the last. The big question which confronts it is "How?"

USE IDLE FUNDS

J. R. Kaim

WE all know what has happened on the domestic economic front since August 19. We know that many things have improved compared with the years of inflation. We know that in many lines of trade and various fields of commerce everything is going well, whereas in others, and they are quite numerous, matters are rather complicated and even dangerous. Still, there certainly is time left to improve the general situation.

Many stores in town are practically sold out. Whether they actually have sold out or whether the shop-owners are hiding some of their stocks does not make much difference; the fact remains that the public sees the shelves empty and merchants are either unable or unwilling to sell. In some fields, certain well known domestic products are virtually out of the picture. Several best known brands of soap are unavailable, while obtaining buttons, silk thread and lining is as difficult as finding certain local brands of cigarettes.

Need Imports

Now, it goes without saying that with very few exceptions, local manufacturing plants depend on imported goods. They need textiles, tools, machine parts, chemicals, dyes, paper and many other articles which are not and mostly cannot be made in China. On the other hand, news from Hongkong indicates that stocks on hand are tremendous and that retailers can buy practically everything at normal prices. Cargoes are piled up just around the corner. All that is needed is to render them obtainable to local manufacturers and dealers.

When a person has no money, even the most splendid show-window cannot attract his attention. He would prefer not even looking at a display of things which he knows are impossible to get. In the case of Hongkong's displays, however, matters are somewhat different, for while the prospective buyer apparently has the means to purchase, he still is not permitted to do so. He has the means to buy and he is faced by shortages: what can be more normal than to use available funds to satisfy the market and increase the supply?

No one can say what a "shortage" actually is. Just as deciding who is poor, wealthy and rich will always depend on individual viewpoints, so no one can say what one person will call a shortage, for to speak of a shortage is not merely an economic theme but to a great extent a psychological question. There is one situation, however, when most people will act as if a shortage already is a reality although according to all accounts there are still stocks available; that point is reached when supplies are out of sight. It appears that this is the situation here at present.

If this view is correct, the chief question is not whether stocks on hand are big or small, nor whether they are big in the eyes of one observer and limited in those of another, but whether there is certain hope that new supplies will be obtainable without great difficulty and at normal prices. To guarantee such supplies no doubt is one of the best means to check the inflationary tendencies which would be observed during the past few weeks and which have led to the consumer rush of the past week.

Build Confidence

To build up confidence in the new currency, the Government still has several means at its disposal. One of them is to show the people that the new Yuan really does buy something and that one may spend his money or just as well keep it without losing anything. Apparently, the man who bought kerosene just after the promulgation of the new money, to mention just one example, today is in a better position than the man who kept the new money. However, while the Government may explain that in the cases of kerosene, gasoline and cigarettes, price advances were not avoidable by any means, it cannot say the same of further permitted or ordered price advances. And price advances have never been avoided when huge amounts of money are idle and only small quantities of commodities are obtainable.

Therefore, if the Government wants to fight inflationary tendencies and to restore confidence in the legal tender, one of the means that can be applied easily is to use idle funds for importing part of the large stocks piled up just around the corner. The Government itself may use a certain portion of the amounts in foreign exchange it has bought from the public. It may use such foreign exchange for certain needed basic goods. It may then permit holders of funds abroad to import everything except luxuries. It may even say that everyone can import everything apart from certain luxuries so long as he does not request for-

eign exchange from the Central Bank.

H'kong Goods Paid For

Most of the goods piled up in Hongkong are already paid for. If they are shipped to Shanghai, no new foreign exchange is needed. However, the Government may object since quite a few of those shipments are paid for by firms whose chief interests are not here but abroad, so that it is to be anticipated that such firms will try to remit their profits to their chief centers abroad. This is not quite so, however. For, as many firms have stated more than a year ago, they would be willing to build up their business on a private barter basis, so long as the Government cannot restore normal trade conditions. Thus, there are ways and means of avoiding the revival of a black exchange market and yet increasing the supply of wanted goods. Indeed, many of the people looking at the display of goods in Hongkong are looking at something that is their own and that they have already paid for long ago.

Such cargoes would not be permitted to enter China without passing the Customs. They could refill the empty shelves of local merchants and at the same time increase the Government's income in Customs revenues.

Once a storekeeper realizes that he can obtain cargo for his GY he has no reason to hide old stocks. He will be glad to sell and he will be forced to sell at competitive prices. Increased supplies automatically regulate the price situation and at the same time increase the confidence in a currency that proves it can buy something.

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The Week's Business

DURING the week ending October 13, general business conditions in Shanghai failed to show any improvement. On the contrary, in several lines business was more complicated than before, while the buying rush increased rather than declined.

Some commodities were hardly available in retail stores as well as on the wholesale market, a state of affairs which occasionally forced exporters to cancel booked orders.

While the best known brands of both laundry and toilet soaps were practically unobtainable and many local cigarette brands simply vanished from sight, retailers in knitting wool, woollen suitings, lining and several other products were declared sold out.

On the financial market, the flight of capital from North China continued to disturb the local market and idle funds, increased rapidly. According to reports issued by commercial banks, the bulk of remittances from the North to this city were intended for further flight to Canton.

Due to the substantial increase in deposits and the difficulty for investing funds in either industry or trade, local commercial banks decided to decrease the interest rate on deposits from 1.5 percent per month to 1.35 percent per month and that of daily advances from 4.8 percent to 3.9 percent. Interest on inter-bank loans was decreased by 0.6 percent to 2.4 percent. Money lenders, on the other hand, were bound to lower their interest rates to about three percent per month, compared with 15 percent per month on August 23.

Industrial production during the week under review showed further declines, semi-official reports admitted. Such drops were chiefly caused by the fact that mill owners were in no position to obtain basic materials at prices that would permit retailers to sell at the officially fixed prices, i.e. such as prevailed on August 19.

When new taxes for liquors and cigarettes were introduced last week, prices of such goods advanced by 20 to 100 percent, while the price of kerosene which on the wholesale market was hiked by 50 percent in accordance with a governmental decision, went up, in retail stores, by 60 to 75 percent.

News from other cities was not encouraging either. From Swatow it was reported that market conditions there are "chaotic" and that commodity prices have advanced drastically. While, according to the vernacular press, the Swatow police were instructed to arrest merchants who increased prices or were involved in black market activities, private reports from that city as well as from North China indicated that recent price hikes were caused by declining stocks which merchants believe cannot be replaced at previous sale prices. Reports from Canton, some of which were published in the local press, stated that while goldsmith shops were closed voluntarily "due to technical difficulties," edible oil, sugar and other foodstuffs were hardly available.

The situation was not quite as bad in Shanghai, however, though idible oil was retailed only in small quantities with retailers obviously curtailing their sales.

Semi-official reports published during the week under review claimed that in an effort to raise revolving funds without increasing the currency issue, the Government may permit State-operated enterprises to float corporation loans. This, it was pointed out, would help the companies involved to obtain the necessary funds, while at the same time guiding idle funds into productive channels. The National Resources Commission will be the first to float corporation loans for various enterprises, especially mining companies, it was explained. Bonds or debentures will be sold to the public by Government banks.

Commenting on such information, Chinese commercial bankers were somewhat reluctant and cautious, it was reported. Remembering the slow sale of shares of Government-operated companies and new Government bonds, they were not too optimistic with regard to the floating of corporation loans.

Meanwhile, exporters' reports during the week under review were rather contradictory. Indications are that in some lines raw materials as well as manufactured goods (f.i. straw hats) could be shipped in considerable quantities whereas in others (f.i. embroideries and laces) results were extremely poor.

Quotations

	Oct. 6 GY	Oct. 13 GY
Wheat Flour	—	—
Peanut Oil	—	—
White Rice, first	20.90	20.90
Raw Silk "C"	1,450.00	1,450.00
Jap. Rayon	1,133.30	1,133.30
Cot. Yn. (42)	—	—
Koo Pun Soap	27.50	27.50

The Review's English Lesson—LIII

AS a change from the lesson's usual emphasis on prose writing, this week we are giving you a short description of Robert Frost, one of the most representative modern American poets, together with one of his poems.

* * *

ROBERT Frost was born in 1885 and has spent most of his life in his beloved New England, the name given to the northeastern states of America. He did not graduate from any college but, mainly through his own studying, has become a very learned man. He prefers to live quietly on his farm, talking with his neighbors, enjoying his library and the beauty of the countryside. He has always been interested in expressing his views through poetry; using simple, clear, forceful language he writes about all kinds of subjects, usually having New England and its scenes or people as his medium. Although he often describes, description is seldom his only object in writing a poem. He wants the reader to find more than a lovely picture; he wants him to see also an observation about the joys and sorrows of daily living, or Frost's often very wise reflections on such problems as intolerance, fear, ignorance or "man's inhumanity to man."

Frost, as any other great teacher-philosopher, does not preach; the reader must think for himself, and he will probably find new meaning and further truth coming from re-reading the poetry. The reader may also upon occasion disagree with Frost and that too would doubtless delight the poet as it would be a sign of his vitality and power to provoke a stimulating reaction from his readers.

* * *

Below we are quoting "A Leaf Treader" (*Collected Poems of Robert Frost*, Halcyon House, 1942) as we feel it expresses something of the feeling many of us have now that autumn is here:

I have been treading on leaves all day until
I am autumn-tired.
God knows all the color and form of leaves
I have trodden on and mired.
Perhaps I have put forth too much strength
and been too fierce from fear.
I have safely trodden underfoot the leaves
of another year.

All summer long they were over head, more
lifted up than I.
To come to their final place in earth they
had to pass me by.
All summer long I thought I heard them
threatening under their breath.
And when they came it seemed with a will
to carry me with them to death.

They spoke to the fugitive in my heart as
if it were leaf to leaf.
They tapped at my eyelids and touched my
lips with an invitation to grief.
But it was no reason I had to go because
they had to go.
Now up to my knee to keep on top of an-
other year of snow.

* * *

YOU will notice that the language of the poem is simple and clear. It is telling the story of a man, probably an older man because he is so conscious of the nearness of death and so afraid it is coming to him soon, who has been walking all day, stepping on the fallen leaves and pressing them into the mud. While the leaf treader is aroused and frightened by the thought of death, he is trying at the same time to speak in a matter-of-fact tone and to keep his emotions under control. This ability to portray strong emotion through the use of fairly quiet, undramatic language is typical of the poetry of Frost; the tone is also typical of many New Englanders who are famed for their understatement and refusal to become emotional or melodramatic.

The first stanza tells of what the man has been doing, and the word "safely" in the last line shows how relieved he is to have the job finished. Autumn leaves with their brilliant colors are a glorious sight but a sign that the season of life and of growth is over and that the deadness of winter is approaching; the man believes that perhaps his death is also approaching but that by trampling on the leaves, showing that he still has the power to overcome signs of death, he may delay the evil day.

The second stanza tells about the way the leaves have been mocking the man all summer. Green and fresh they have lived above him, and yet, because he knew they must die in the fall, he feared that with their death his own would also come. We see that the invitation of giving in to death was strong but he would not accept it. And the last line shows that the end of the struggle with autumn only means the beginning of another struggle. Frost, we believe, has here given us a sharply defined picture of an old man's melancholy and at the same time has touched a responsive chord in many of his readers as they view the end of summer.

NEWS OF THE WEEK

Gimo Says Reds Unable To Win; US Seen Casting Eyes At Franco

ON the anniversary of "Double Tenth," China's national holiday, President Chiang Kai-shek in a frankly-worded impromptu speech delivered before a gathering of over 400 high Government officials admitted that the present military situation is "unfavorable" to the Government. This unfavorable turn was ascribed mainly to "psychological unhealthiness" on the part of Government workers and the Chinese people, because many people are duped by Communist propaganda into believing the Communists are "Chinese and democratic" and therefore failed to look upon them as enemies.

Chiang, however, stressed that though the Government suffered reverses the important thing is "we must not be afraid of reverses." He said despite their expanding power the Communists are meeting popular hostility whenever they go. This, he pointed out, was why the Communists will never succeed in China, but he warned the war against Communism is going to be a long one. In conclusion, he urged redoubling of efforts in seeking progress and building up new strength for implementation of Dr. Sun Yat-sen's principle of Nationalism to ensure Chinese independence.

* * *

Faith In Future

THE following day, President Chiang in addressing a large group of Kuomintang leaders warned again that the present situation facing the Government is one of "unprecedented gravity."

He asserted, however, that he personally is not pessimistic, either militarily, politically or economically. In his opinion, the situation can be met, but "there must be unity and a revolutionary spirit."

During the past six months, the President added, the strength of the Nationalist army has been sufficient to crush the Communists—but due to lowered morale, "we have not attained our objective." He declared that only an offensive spirit, not laxity or disunity, can defeat the Communists. He made a stirring appeal to members of the Legislative and the Control Yuan not to hamper the Government but to render all possible cooperation.

Turning to world affairs, President Chiang described the present international situation as "extremely critical" and said China must contribute to the cause of world peace with the speedy suppression of the Communists. He emphasized that only by the successful consummation of the Communist suppression campaign could China hope "to avoid becoming a battlefield in another world war."

Premier Wong Wen-hao held the same view, pointing out that the suppression of the Communist rebellion is no less important than the revolution of 1911. He also was confident of the ability of the Government to crush the Reds in spite of present reverses.

"Our present difficulties," the Premier explained, "are indeed unusually great. But our Government structure, military equipment, financial resources and communication facilities today are far superior to that at the time of the 1911 revolution and during the war of resistance against Japan.... Our revolutionary leaders were steadfast in their determination and fervor to achieve national salvation. They feared nothing and by virtue of this spirit, in one final stroke at Wuchang, they brought into being the Republic of China."

Finally, the Premier asked the people not to be fooled by Communist propaganda. "Success of the present campaign against the Communist rebels will be determined by our faith in final triumph. What I am concerned most about is that our people should understand the issues at stake and not be confused by Communist propaganda. We must unite both in purpose and in action, and refrain from doing anything detrimental to our strength. We must have confidence and determination in our cause and not give credence to Communist lies."

* * *

No Immediate War

CHINESE Foreign Minister Wang Shih-chieh, now in Paris, told his fellow countrymen that in spite of the critical nature of the world today there is no prospect of an immediate world war, because there is not one state fully prepared for war and in no country would the people welcome war. "I am convinced that during the next year or two all lovers of peace still have an opportunity to work for it," he said.

"The basic assumption of the United Nations," he continued, "has been cooperation of the Big Five. That cooperation is not forthcoming and the United Nations is not showing the strength expected of her. Still, I am firmly convinced that current deterrents to her development can never mean destruction of the United Nations. Should war occur against everybody's hope it still would not lead to the collapse of the United Nations. In addition to our loyalty toward the United Nations we must have faith in its future."

* * *

Another View

BUT there are some people who think that World War III. is just around the corner. Assistant Secretary of State Charles Saltzman bluntly declared that despite "utmost efforts" by the United States it may be impossible to avoid a war with Russia. He further explained: "We have found from experience it is impossible to deal with Russia like other nations."

Britain's war-time Prime Minister Winston Churchill told the Conservative Party Conference that "there seems to be a remorseless approach to a third world war. He made the pessimistic declaration, "I will not encourage you with false hopes of a friendly settlement with Soviet Russia."

After denouncing the "growing aggressiveness of the Soviet Government and its complete breach of good faith," Churchill said: "Fourteen men in the Kremlin rule over 300,000,000 human beings with as arbitrary an authority as ever possessed by any others since Ivan the terrible. They are now holding down nearly half of Europe by Communist methods.... If it were not for the stocks of atomic bombs now in the trusteeship of the United States there would be no means of stopping the subjugation of western Europe by Communist machinations backed by Russian armies and enforced by political police. We should not delude ourselves with the vain expectation of a change of heart in the ruling forces of Communist Russia. Neither should we be under any delusion about the foundation of peace. It is my belief that at the present time the only sure foundation of peace and prevention of actual war rest upon our strength."

Churchill's saber-rattling speech was resented by responsible members of the Labor Government. War Minister Emanuel Shinwell called Churchill "a danger to peace" and added: "He is a great war leader. Of course he is. That's why he wants another war." Health Minister Bevan called Churchill "one of the most reckless speakers in British political history." Konni Zilliacus, left-wing Labor M.P. also castigated Churchill, saying sacastically, "Churcill's war policy would turn Parliament into a national suicide club and Britannia into a gangster's moll for Uncle Sam, who has no intention of being faithful to the Labor Government."

Confused And Dismayed

ALTHOUGH President Truman hurriedly dropped his plan to send Supreme Court Chief Justice Fred M. Vinson on a special mission to Moscow in hopes of ending the United States-Russian crisis, it was understood that the very idea of such a plan had done much harm. British and French delegates were reported to be baffled. Some sources claimed the attitude of the American delegation "mystified" them for several days. As one UN source said, "The United States arrived here and acted like a bull in a China shop on the Berlin crisis. The US insisted upon taking the case to the Security Council rather than to the General Assembly. Now for days they have been acting very coyly and declining to disclose just what it is they want to do."

In Paris, United Nations delegates were "shocked and dismayed," pointing out the fact that the American president was even contemplating such a move might blow the United Nations negotiations on Berlin sky high.

Latest reports from Paris indicated that the shock to many delegates over President Truman's action was dispelled somewhat by Truman's statement and Marshall's press conference. But the incident was considered excellent grist for the Soviet propaganda mills. Great concern was felt over the effect of the incident on France, where the tottering government always has been uncertain how much faith to place in the Americans.

In order to prevent Russia from making any political capital out of this incident, it was reported that the United States, Britain and France had decided to reject any settlement of the Berlin issue which would call for negotiations with Russia while her blockade continues.

* * *

Wooing Spain

AS a result of the continued deterioration in the relations between the Western Powers and Russia it has become more and more apparent that the West is trying to improve its relations with Franco's Fascist Spain as a bulwark against world Communism. It is understood that several countries in South America are particularly anxious to admit Spain into the United Nations Organization. According to press reports, Peru has informed Britain she intends to reinstall an ambassador in Madrid and the Argentine ambassador is reliably reported to have already returned to Madrid.

The planned visit to Argentine by the Spanish Foreign Minister, Senor Alberto Martin Artajo, is regarded as having unusual significance.

Spanish Republicans have requested Britain, France and the United States to make good their pledge to back a "democratic regime" in Spain. A representative of the exiled Spanish Republicans and monarchists said they had reached agreement on plans to form a coalition government which would replace Franco.

Popular opinion in Britain was reported to be firmly in support of any refusal by Britain to shake hands and make up with General Franco's Spain despite indications that there is a strong movement in the United States to have Spain brought into the Western Union.

Diplomatic officials in Washington declared that the conflicting considerations involved in a possible revision of US policy toward Spain will probably come up soon for discussion and decision by the President's National Security Council. Military authorities stress the obvious strategic advantages in restoring relations with Spain and including her in a Western European defense arrangement. A UN delegate asserted a secret military agreement, including the use of bases in Spain, already is in existance between Washington and Madrid, despite official denials in both capitals, the Associated Press reported.

James Farley, former chairman of the National Committee of the Democratic Party, told Franco that he hoped "before too long" to see the most amicable relations resumed between Spain and the United States. Emerging from an hour and a half interview with the Spanish dictator, Farley told the press, "We discussed many matters affecting the world today. I can truthfully say that we were in general accord in our observations."

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Chinese Magazine Roundup

World Culture

FORMER Premier Chang Chun's broadcast statement on his "impressions of Japan" was bitterly resented by Li Chin, who, in an article printed in *World Culture* of October 9, 1948, said that Chang did not know what he was talking about. After stressing that what Chang said in his statement about the current situation in Japan was not 100 percent factual and was even in conflict with what has been said in Japanese newspapers and books, the writer points out:

"One point will suffice. According to General Chang, economically, Japan will not be able again to build up a militarist country to threaten peace. I wonder what grounds General Chang had for his contention. How many heavy industries and arsenals in Japan's industrial program, and particularly in the much-boosted Five-year Recovery Plan, are designed to serve peace? General Chang's 'impressions of Japan' merely stressed the industrial weakness of Japan. Why did he not take the trouble to analyze the contents of Japan's industries and relative strength of the various branches of these industries? Is this an omission or deliberate dodging to the issue? Once a country possesses war industries, it has war potentialities. If conservation and expansion of war potential are not a threat to peace or are not a preparation for war, what are they up to, anyway?

"Just take a recent example. The output of Japan's steel and iron industries has advanced by leaps and bounds during the past few months and is far ahead of other industrial production. Is it impossible to use iron and steel to manufacture ships and guns and make a militarist country of Japan, thereby threatening peace in China?....

"Personally, I am in favor of General Chang's argument that we should adopt a 'positive policy toward Japan and do something about it.' But the question is: What do you mean by 'positive'? General Chang Chun holds that China should help Japan's recovery under certain conditions. But how is this aid to be extended? The answer seems to be that Japan should be included in an Asiatic economic bloc, which is to be formed under the leadership of China. If we tell Japan that the key to Japan's economic recovery lies in Chinese hands, it will mean that Japan must follow China at every step, otherwise China will withhold her aid.

"What cards are there in China's hand? General Chang Chun has already put China's cards on the table. First, China's coal, iron, salt, sugar, soy beans, cotton, fodder, etc., are badly needed by Japan. Second, the Chinese markets take up more than 25 precent of Japan's exports and China can absorb a considerable portion of Japanese manufactured goods such as cotton yarn, machinery, chemical goods and woolen textiles.

"In other words, China's two trump cards are raw materials and markets. These are the trump cards in the possession of the colonial countries. And they are the long-dreamt of and much-sought-after objectives of Japanese aggression. Therein lies the root of all conflicts between China and Japan, including the last war. It is true that these two trump cards may serve to bluff Japan into an Asiatic bloc. We admire Chang Chun for his originality in hitting upon such a positive policy toward Japan.

"It is pretty bad to compare the proposed Asiatic economic bloc to Japan's notorious 'Co-prosperity for Greater East Asia.' As a matter of fact, they are different. Although the area remains the same, the wire-puller is changed. Chang Chun must understand perfectly well that China can hardly be expected to play the leading role in the proposed Asiatic economic bloc. Leadership of any economic bloc calls for tremendous industrial strength. In Asia today, there is no other country which can exceed Japan in industrial levels. Therefore there is no other country which can hope to take Japan's place as second-in-command in the much-talked about Asiatic economic bloc. Division of labor within the bloc would inevitably result in an industrial Japan and an agricultural China. The present period is one of industrial leadership over agriculture, not vice versa. Such being the case, the logical results of General Chang Chun's 'positive policy' would be a rapid recovery of Japan's economy and war industries. China, in spite of her claim to leadership, would actually become a pawn in the game. During a time of peace, China feeds a militarist Japan. In war time, Japan becomes an arsenal and sends out troops while other countries in Asia furnish the necessary cannon fodder and battlefields...."

In conclusion, Li Chin gives General Chang Chun some advice. First, it would be bad to trade the very existence of the Chinese nation for 'Japanese scientific skill' and industrial equipment. Second, China should not be dependent on others, least of all Japan. The Chinese people must have faith in their own nation. Third, it is no good to suspect or fear fellow Chinese.

* * *

News Magazine

THE *News Magazine* of October 10, 1948 revealed that General Chang Chun is contemplating the formation of an anti-Communist alliance comprising all countries in Southeast Asia.

"It is understood," the journal alleges, "General Chang Chun has suggested that a Chinese-Japanese-Korean anti-Communist pact be expanded into a grand alliance of all countries in Southeast Asia. This is the reason why at one time it was widely reported that Chang would visit the various countries in Southeast Asia. Even General Chang himself confirmed, in public press reports, that he was ready to leave for Southeast Asia on a fact-finding mission.

"The so-called Southeast Asiatic Alliance will include China, Japan, Korea, India, Siam, Burma, etc. with the first four as the core. The objective of this alliance is to make concerted efforts to prevent the penetration of Communist ideas, including the conclusion of military and economic agreements.

"But after much mature consideration in Nanking it was decided that no hasty action should be taken until the reactions of Moscow and Washington are known.

"Consequently, Foreign Minister Wang Shih-chieh planned to visit Moscow on his way to Paris to attend the session of the General Assembly of the United Nations. Pu Tao-ming, a top official of the Ministry of Foreign Affairs, was sent to Moscow by way of Sinkiang to make the necessary advance preparations. It was rumored that the chief objective of Wang's scheduled visit to Moscow was to improve relations between China and Soviet Russia, to exchange views with the Soviet government authorities on outstanding issues involving the two countries, and to test the Soviet attitude toward the China problem. Then he could take advantage of the Paris conference of the UN General Assembly to discuss the matter with the American delegation. According to his original plan, the Chinese foreign minister would return to China by way of Southeast Asia.

"However, Foreign Minister Wang changed his mind at the last minute. One story has it that some one advised Wang to think twice before going to Moscow, pointing out that unless adequate advance arrangements have been made in Moscow any hurried negotiations would fail.

"Immediately after his arrival in Paris, Wang told the press that he would ask the United Nations to pay greater attention to Asia, particularly economic affairs in Asia. This was substantiated by Wang's speech delivered at the General Assembly of the United Nations. Wang asked the United Nations to help Korea achieve national unity and give greater representation of Asiatic countries on the Security Council and other commissions of the United Nations. Later on, he conferred with United States Secretary of State General Marshall."

US Magazine Roundup

Foreign Commerce Wk'ly

HOW China's chemical industry has been affected by the aftermath of war and the unsettled conditions prevailing in the country is discussed in an article published in the July 24, 1948, issue of the US Department of Commerce's official magazine, *Foreign Commerce Weekly*. Stating that while chemical supplies, manufactures and prices have been affected perhaps more than any one other industry by the profound changes that are now taking place in the national economy, the article says that "little progress in business recovery (in general) is evident, nor has China been able to capitalize on the opportunity for industrial growth and the cultivation of export markets in the Far East."

The article continues: "Despite the unfavorable situation, attempts are being made to reestablish the chemical industry, whose foundations have been shattered by more than 10 years of war. The 1937-38 hostilities destroyed more than 75 percent of chemical-consuming and chemical producing units. Under the 5-year reconstruction plan announced in 1947, the chemical industry is allotted $200,000,000. At the end of 1947, transportation was in its worst state since the war, and coal production was hard hit. Power was and still is insufficient to meet the demand. Raw materials for industry, mostly imported, penetrated with difficulty a web of import restrictions. Labor disturbances and lack of capital and exchange to purchase foreign equipment continue seriously to hinder normal rehabilitation.

"There was a general shortage in 1947 of imported industrial raw materials, of which chemicals were only a part, and domestic production of primary components was extremely limited. Chemicals have been a speculative item on an erratic market. At times extreme shortages pushed prices beyond practical utilization by consuming industries, so that stocks were traded or hoarded rather than used. At other times, chemicals not in short supply arrived in quantities sufficient to depress the market."

The article points out, however, that "there have been some bright spots. UNRRA's contributions to industrial rehabilitation were sizable, and results will be apparent later. Some regions recorded business gains, and plans were actively under way in 1947 for iincreasing power generating capacity. In the South and in Formosa, both areas remote from combat, there was greater industrial activity."

Developments in the chemical industry for the year 1947 are discussed in the article, by regions and by specific products manufactured. In the Shanghai area, most of the major industries advanced during the year, but in early 1947 only 77 of Shanghai's 200 chemical plants were active. Since a large percentage of industrial and chemical consumption is centered in that city, the inability of production to keep pace with demand resulted in chemical consuming plants having to operate on part-time schedules. In North China, while some of the major plants continued operations, most of the smaller ones had been dismantled or were idle. In South China, shortages of raw materials and fuel would continue to hamper development and expansion until rail transport of raw materials from mines in the northern part of the region was improved. In Central China, the war had almost entirely disrupted all industry; while in West China, "chemical manufacture in Yunnan, including the production of calcium carbide, lime, and soap, was active. Considerable quantities of materials such as caustic soda, medicines and dyes were received from Burma and Hongkong." Taiwan was considered an area of potentialities where, although not much had been done at the time the material for this article was compiled, a great industrial advance could occur if there were intelligent governmental administration and ncouragement of industry.

Of foreign trade, the article says that "few predictions can be made. Imports may be considerably less, in line with the Government's policy of encouraging domestic industries in order to increase China's industrial capacity and for the more immediate purpose of providing foreign exchange. Nevertheless, the opportunity exists for US chemical manufacturers to lay the foundations for future trade. The Chinese chemical trade, in conjunction with the Export-Import Board, recently completed a survey to determine the extent to which the China market can be supplied by domestic factories, and will make recommendations to prohibit the importation of a number of chemicals which can be manufactured at home."

The article concludes: "Facing a stupendous problem of reconstruction and industrialization, China needs foreign capital, foreign technical skills, and foreign raw materials, all in huge amounts, but at the close of 1947 the possibility of a favorable atmosphere for industrial growth appeared more remote than at any time in the postwar period. While the present unstable conditions prevail, progress must necessarily be disappointingly slow. For the present, the National Resources Commission is concentrating its efforts on the development of such resources as are found south of the Yangtze."

Atlantic Monthly

CHINA'S National Government is not coming apart under growing Communist pressure, but its component elements are regrouping themselves, it is stated in the August 1948 issue of the *Atlantic Monthly* magazine, in its regular report on the world today. The magazine's analysis describes these components as:

First, the "hard core of the Kuomintang which refuses any compromise and relies entirely on American help." The core is said to consist of politicians and generals whose entire careers have been in the Kuomintang, monopoly bureaucrats, and "wealthy landlords of the rice-bowl areas."

Then, says the magazine, there is a group of Kuomintang old-timers who believe neither side can win the civil war outright and have withdrawn to Hongkong. They are said to hope eventually to grab some of the Nanking territory and then dicker with the Communists.

In between, it is said, is a "loose alliance of warlords," committed to neither faction but in touch with both. They are represented in the Government by Vice President Li Tsung-jen. Their strength is said to lie in the fighting strength of their own troops. Clannish loyalty makes the troops of the warlords impervious to Communist blandishments, it is believed, but on the other hand they will fight only to protect their own interests. With concessions made to those interests, the analysis continues, they could make a deal with the Communists.

China's Communists, meanwhile, are reported continuing what the magazine calls "dual technique of close strategic liaison with Russia and an offsetting tactical freedom within their national field of operation." The analysis continues: "In the Marxist manner, they prescribe minute differentiations between classes, class conflicts and class alliances. Party workers are told to make poor peasants the backbone of their movement, but are sternly warned not to antagonize the more prosperous peasantry....Private enterprise in production is rewarded. The rule is laid down that the land of a man who does not work himself may be confiscated; but even if he is a wealthy man, that part of his income from the land which he has reinvested in mining or manufacture must not be confiscated. Farmers who have become rich through their own hard work and good management must be treated very gingerly."

What US Papers Say

SOVIET attempts to explain the breakdown in the Moscow talks and to justify the Berlin blockade are bringing a flood of editorials in the US press. US biparty unity on foreign policy, the Indonesian-Dutch conflict and the Civil War in China were also commented upon in last week's US press.

* * *

Berlin Blockade

NEWSPAPER comment continued to endorse the wisdom of taking the Berlin question before the UN Security Council, pointing out that it will serve to clarify the issues in the light of Charter principles, and will give the Soviets another opportunity to use the international machinery of peace.

The *New York Times* said in part: "As pointed out by the American representative, the question before the Security Council is not the problem of Germany, or even of Berlin, but the Russian use of force to attain political objectives which it cannot achieve by peaceful means. This force is directed against the Western powers, which are members of the United Nations, and as such are not only entitled to but obliged to invoke the Charter against another member using force or the threat of force in its international relations."

The *Washington Post*: "Russia is as much pledged to seek the peaceful settlement of international disputes as are other members of the United Nations. Why did she not exhaust the peaceful means of redress instead of resorting to the coercive tactics of the blockade? Here is the nub of the whole dispute. The Russians were not willing to confine their actions to peaceful negotiation or to an appeal to any UN body, but attempted to starve 2,500,000 Germans as a means of forcing their will upon their former allies."

The *Philadelphia Inquirer*: "In the four-power conferences, as in the Security Council, the long series of negative Russian votes has stymied every worthwhile move to bring the world back to concord. "The net of Vishinsky's demand and argument is that the Kremlin denies the right of the world body, created to preserve peace, to act in a matter which grimly threatens to destroy peace."

The *Kansas City* (Missouri) *Star*: "What do we and our British and French associates hope to accomplish? Obviously, the Soviet Union can block any effective action by the Security Council on the Berlin issue. But by challenging the Russians in the council, we can at least force them to disclose whether or not they are prepared to use the international machinery of peace, as established by the Charter."

* * *

Dutch-Indonesian Conflict

THE *New York Times*, in an editorial titled "For An Indonesian Solution," declared recently: "The Republic of Indonesia appears to have broken all organized resistance in the Communist revolt in Java. Muso, the Moscow-trained leader whose return set off the revolt; Sharifuddin, a former Republican Premier, and other leaders have fled to a mountain stronghold where they eventually can be smoked out. Only sporadic guerrilla activity remains to harass the Hatta Government. Now would seem to be the time for a quick and statesmanlike solution of the Indonesian problem among the Dutch, the Republican and the leaders of the federalized states....

"The Dutch Crown and two successive Dutch Governments have publicly pledged themselves to an equitable solution of the Indonesia problem. There is a UN committee of good offices on the ground in the Indies which helped in the formulation of the Renville agreement of last January. The United States, the United Kingdom and most of the countries of the Far East have urged a quick and just settlement. In making some concessions now to the nationalist aspirations of the Indonesian people, The Hague might gain far more than it would immediately lose. And Communism in Southeast Asia would have been struck the hardest blow possible."

* * *

Bi-Party US Policy

CONSIDERABLE interest was evoked in the editorial columns of the U.S. press by the recent radio address of Republican Senator Arthur H. Vandenberg, chairman of the Senate Foreign Relations Committee, reviewing the record of U.S. unity on foreign policy. The comment praised the speech and maintained that agreement on U.S. foreign policy objectives and methods among the leaders of the two major US political parties reflects the attitude of the majority of the American people.

The *Miami* (Florida) *Herald*: "If the people want to throw out the Democrats and put in the Republicans, the change will be made 'without affecting the continuity of our foreign policy.' There's no mistaking that outline of our governing procedure. Fortunately for the nation and the free world today, there is a solid foundation for bi-party cooperation on foreign policy. Both parties have established a wide measure of agreement on where American interests lie abroad. This is clear from the votes in Congress on major foreign policy legislation. It is equally evident in the marked similarity of the foreign policy planks of the 1948 party platforms. There have been differences. But they have been over details and not substance."

The *Detroit News*: "This (Vandenberg speech) was a rallying call to the nation. It said that the campaign is but a supreme test of our abilities to persevere toward goals already agreed upon, and to keep them uppermost, irrespective of the demands of party. "At the same time, it was a warning and a promise to the nations of the world that our people can be expected to measure up to this solid ideal."

The *Philadelphia Inquirer*: "Senator Vandenberg's statement that there is still plenty of room for debate on foreign policy deserves repeated emphasis. There is not only room, but a real need, for continued debate if American actions in the international field are to be effective and represent the views of an overwhelming majority."

* * *

China's Civil War

THE *New York Times*, in an editorial entitled "The 'Cold War' Has Two Fronts," declared recently: "While the eyes of the world are focused on the 'cold war' in Europe, with Berlin as the critical center, a broader, 'hotter' and in the long run at least equally decisive front of that war has now spread across another and larger continent with ominous potentialities for mankind. This continent is Asia, whose leading nation, China, is observing today the 37th anniversary of its republican revolution in the midst of a devastating and steadily expanding civil war....

"The Communist conspiracy is at work throughout Asia as it is throughout Europe and the Americas. It has already brought virtually all of Manchuria and Northern China, with a population equal to that of the United States, under Communist domination and is still spreading. It has stirred up strife or tried to take control of it in Burma, Malaya, Indo-China, Indonesia and the Philippines. And it is stretching out its tentacles into Japan, India and Iran, while seeking to play off the Arabic and Israelitic peoples against each other. But its main effort is in China. For whatever may have been true in the past, it is surely true of the present struggle, that as China goes so goes Asia. And with Asia and half of Europe closed to the West, it is difficult to see how a Western world reduced to a small minority could hope to survive in freedom.

"For that reason, in the literal meaning of the word, the Chinese struggle against a Communist conquest is our struggle as well." No detached observer regards the Chinese National Government as perfect. It has its weaknesses, its corruption, its overgreat concentration of personal power. But it has made progress toward democracy and there is hope that it can make more, if it survives, whereas there is no hope at all that a Communist-dominated regime will make, or even plan or desire to make, such progress."

What Chinese Papers Say

THE buying spree in Shanghai and elsewhere held the limelight in the Chinese papers last week. The general military situation also was discussed.

* * *

Buying Spree

IN discussing the buying spree, most Chinese newspapers agreed that the circulation of a large amount of idle capital in the market and the rapid alarming deterioration in the military situation, following the fall of Tsinan, were the basic factors that should be held responsible.

The independent *Ta Kung Pao* pointed out: "The main cause of the current buying spree is the increase in the amount of notes in circulation. When the currency reform was announced, Finance Minister Wang Yun-wu declared that all the fapi notes then in circulation could be recalled with 200 million Gold Yuan. Now, fapi notes are still in circulation and the issue of Gold Yuan notes amounts to nearly one billion. Such a big increase in the note issue has naturally affected commodity prices. Why has such a big amount of Gold Yuan notes been issued? As everybody knows, this is due to the fact that the people have surrendered their gold, silver and foreign currencies to the government in exchange for the Gold Yuan notes. They use their money thus obtained to buy things.... From this it can readily be seen that China's currency reform program still leaves much to be desired."

As measures to remedy the situation, the paper suggested that the Government refrain from issuing more GY notes and do everything in its power to find outlets for idle capital.

The *Chien Sien Jih Pao*, while sharing the view of the *Ta Kung Pao*, added that the action of the Ministry of Finance in increasing the taxes on such items as tobacco, wines and tin foils poured oil on the flames and served as the last straw that may break the camel's back.

"We are 100 percent in favor of such tax increases," the paper explained. "However, the problem lies in the fact that in the present period of uncertainty, the people's nerves have been greatly weakened and a month and a half of stabilized prices is not able to change their psychological habit of placing goods of real value above paper money. When the people found that the tobacco shops had suddenly been ordered to suspend business for two days they suspected something. And when the shops resumed business on the third day with their prices increased by 100 percent it was only natural that the man in the street should think that the value of the Gold Yuan had depreciated.

"Thus the Ministry of Finance, in readjusting the tax rates at such a time is at least guilty of taking premature action. As a matter of fact, we rather think that in order to help balance the national budget an over-all reorganization of the tax-collecting organs is more important than any revision in the tax rates. The recent 600 percent increase in the salt tax, it is now revealed, only succeeded in covering the deficit of the National Salt Tax Administration and brought no money to the National Treasury of the National Government.

"The August 19 price line should not go the way of the notorious and ill-fated Maginot Line, and there certainly can be no second chance for currency reform. If the people should threaten the defence line, measures can still be taken to remedy the situation. But if the Government, through its own negligence, destroys the very foundations of the initial successes of the currency reform program, then we feel it necessary to call its attention to the question of full responsibility for the life or death of our nation."

The *Shang Pao*, mouthpiece of the local Chamber of Commerce, warned that it would be a serious mistake to pooh-pooh the significance and importance of the current buying rush. "We should not underrate the importance of the buying spree. In addition to taking palliative measures, we should find a fundamental solution for the problem by boosting production and by reducing the note issue."

The *Shun Pao* equally stressed the importance of increasing production. "So far, the Government has not actually done anything to encourage the increase of production. During the past month, the Government has confined its efforts strictly to enforcing ceiling prices with a view to forcing down the prices of farming products, thus cutting off the sources of supply of raw materials for the factories and at the same time blocking the outlet for the finished goods made by the factories. As a result, the economic relationships between an industrial metropolis and the rural districts in the interior have been disrupted. Under such circumstances, how can production be increased? While production has not been boosted, consumption has been expanded many times. This is a very serious problem."

* * *

War Situation

REVIEWING the current military situation in the North, the *Cheng Yien Pao* struck an optimistic note and pointed out that in spite of the Nationalist reverses in Shantung, there are still four favorable factors which would help remedy the bad situation. "In the first place, the lone garrison force at Changchun can be counted on to break through. Second, the Nationalists at Mukden are strong enough to beat back any Communist attack. Third, the fighting along the Peiping-Mukden Railway is not of a decisive character. Fourth, General Fu Tso-yi, Commander-in-Chief of Government forces in North China, still maintains a superiority in initiative and mobile operations.

"With these factors in their favor, who can say that the Government forces are not capable of fighting successfully? But successful fighting depends on appropriate deployment of troops and decisive actions....

"The Government has all along indicated that 'without Manchuria there will be no North China and without North China there will be no China.' The situation in Manchuria and North China as a whole at the present time is undergoing a profound change. The position of Manchuria is particularly precarious. Whether the Government will persist in its policy of stabilizing Manchuria and strengthening North China or whether it will change its strategy, we are not in a position to speculate on. Anyway, we feel that the matter calls for close attention. While we know perfectly well that tactical movements of troops are routine affairs in a war, we must stress that we consider it a big mistake in military strategy to abandon the first defense line in Manchuria for the sake of safeguarding the Peiping-Mukden line or the whole of North China. We have often pointed out the lack of wisdom on the part of Government forces in holding important cities by massing strong forces at specific points."

The *Sin Wen Pao* hailed as timely the evacuation of the families of army men from Kaifeng, Chengchow and Hsuchow to cities along the Shanghai-Nanking Railway line but stressed that many technical problems must be satisfactorily solved. "If the families of army men are moved in before these problems are solved, it will not only give rise to much unnecessary trouble but also affect the morale of the people in the rear. In all the cities in the Kiangnan area, especially those situated along the Shanghai-Nanking railway, there are troops stationed. It often happened that these troops have forcibly occupied private houses. This has already caused much misunderstanding and trouble. The mass removal of the families of army men into these cities, unless the problem of living quarters is satisfactorily solved, would add to the present difficulties and confusion."

NEW BOOKS OF INTEREST

Better Press

YOUR NEWSPAPER: *Blueprint For A Better Press by Nine Nieman Fellows. Published by The MacMillan Press, New York, 1947. 202 pages. US$2.75. Reviewed by A.T.K.*

IN the halls of the UN, over the American radio, on the college campuses, in the circles of publishers and of working newspapermen and, to some extent, in the press itself, there rages a discussion of the freedom and the responsibility, or the lack of freedom and irresponsibility, of the American press.

The problem is a pertinent one in China too, for in Nanking members of the Legislative Yuan have proposed a publications law which would make it impossible for the newspapers of this country to take up the issues of the day freely and independently.

In *Your Newspaper*, nine practicing journalists have addressed themselves to the problem. Among them are a war correspondent, a science editor, a Sunday editor, a labor reporter, a political writer. They were winners of Nieman Fellowships, one of the highest honors in their craft.* Their awards enabled them, free from the worry of making deadlines and of earning a living, to engage in a year of study at Harvard University in subjects of their own choosing, and, incidentally, to reflect on the virtues and faults of the newspaper business. Out of this reflection has come the present book.

The need for an honest, dependable press is set forth by Louis M. Lyons, curator of the Nieman Foundation, in the introduction to *Your Newspaper:*

"If the American theory that a literate electorate can govern itself democratically is sound, then it assumes that the electorate has a chance to be adequately informed on those public issues which it must decide. This electorate depends on the newspaper—and in lesser degree the radio which uses the same basic news services—for the channels of its information.

"There is only one function which justifies the exalted protection given the press in our Constitution; that is as the common carrier of public information. The rest is extraneous. We can form our own editorial judgments, find our own entertainment, and do our own shopping. Without a reliable source of the facts on public issues, we cannot function effectively in a democratic society."

The authors examine the press in the light of this thesis and find it fails in its proper function—that is, to give readers the news.

According to the authors, who have had from seven to twenty years of experience, American newspapers are guilty of sensationalism, poor writing, inattention to news which is undramatic but of vital importance to all readers, lack of objectivity, and lack of a sense of proportion. The first concern of many newspaper owners, the writers think, is making money, not serving the public.

As a result of their failures, American newspapers have lost much of their influence. The classic proof of this point is that although a majority of publishers exhorted their readers three times to vote against Franklin D. Roosevelt, the readers brashly rejected this advise.

Perhaps papers could not only regain some of their influence but could also better serve their fundamental purpose of purveying news instead of entertainment and, in some cases, propaganda, by self-analysis and self-treatment. The authors seem to think they could. In their formula for improved newspapers, they call for better writing, higher pay to attract more capable men, more extensive local coverage, fewer syndicated columnists, a more careful separation of news and editorial comment, and other changes. They suggest formation of such a paper to prove what can be done; many of us in the newspaper field would like to see them try it.

There can be no objection to the suggested improvements. The question is: how can they be achieved?

There is an old saying in the newspaper business: "You never fire the managing editor while the paper is making money."

Whatever their faults, American newspapers are highly prosperous. Many of the papers which the Nieman Fellows cite as the worst offenders are reaping extraordinary profits. Why should publishers remake their papers, at a considerable expense, if the customers seem to be satisfied?

Critics of the press would reply that the customers are not satisfied. Maybe so, but they haven't expressed their disapproval, if that is what it is, in sales. Circulation of American papers is at an all-time high.

Those readers who want better papers can get them only by convincing the publishers that the product must be improved. Anyone interested in the project would gain a greater understanding of the problem from *Your Newspaper.*

In the view of the Soviets, American newspapers are the tools of the ruling class. In the view of the publishers, they are high-minded, impartial servants of the public. The truth lies somewhere between these extremes. In the last analysis newspapers are not likely to become high-minded and impartial as their owners seem to think they are until the public forces the owners to make them so.

*Among the Nieman Fellows in recent years are two former China correspondents, Richard Lauterbach of *Time*, Inc., and Walter Rundle of the *United Press.* Two others, Tillman Durdin of the *New York Times*, and Christopher Rand of the *New York Herald Tribune*, are now beginning their sabbatical at Harvard under the Nieman Foundation.

One View

HENRY WALLACE, THE MAN AND THE MYTH. *By Dwight MacDonald. N.Y. Vanguard Press, Inc., 1948. 187 pages. US$2.50. Reviewed by F. M. Roberts.*

IN his most painful nightmare, no presidential candidate could envisage a more devastating attack than the one in this book on Henry Wallace. Nor is the picture eased by the author's remark, "Since the major aim of this book is to consider Wallace as a political leader, rather than as a personality and since his political behavior has very little good to be said for it, the portrait drawn is doubtless blacker than a novelist would draw it.

Wallace's chances in the November election are nil. Elmo Roper, whose pre-election polls have made statistical history, says elections are as good as won before the campaign starts. At the beginning of September he predicted Dewey to lead Truman by a margin of 44 to 31 percent. Third party candidates in the United States often bring to the national consciousness important political issues. It seems quite likely that Wallace has done more to deepen certain prejudices than to overcome them if one judges his southern campaign during the early part of September.

There is admittedly a strong case to be made against Wallace—even his warmest admirers and colleagues have found themselves in embarrassing positions. But the language of Mr. MacDonald is over violent—some of his "myth" is built upon personal recollections of unnamed persons. There is, however, sufficient evidence to prove MacDonald's thesis that Wallace's thinking is much muddled.

For example, Wallace writes, "The Communists are the high priests of Materialistic Inevitability. I am always suspicious of anything labelled inevitable." But a few sentences later he says, "They [the common people] can bide their time, the *inevitable swing* (italics the reviewer's) of the pendulum will give them their opportunity."

Again he writes, "The supreme freedom is the freedom of the people to know the truth." But again a few sentences later he says, "For the peace and prosperity of the world it is more important for the public to know the *liberal truth* than the *reactionary truth* (Italics the reviewer's). Perhaps some day all of us will be strong enough to stand the *real truth.*"

If one asks how Mr. Wallace maintains a mass following, the answer is that he calls himself a friend of the Common Man. He is a symbol of hope and dissidence and in his following we see the deepgoing insecurity and frustration which many Americans feel about the world.

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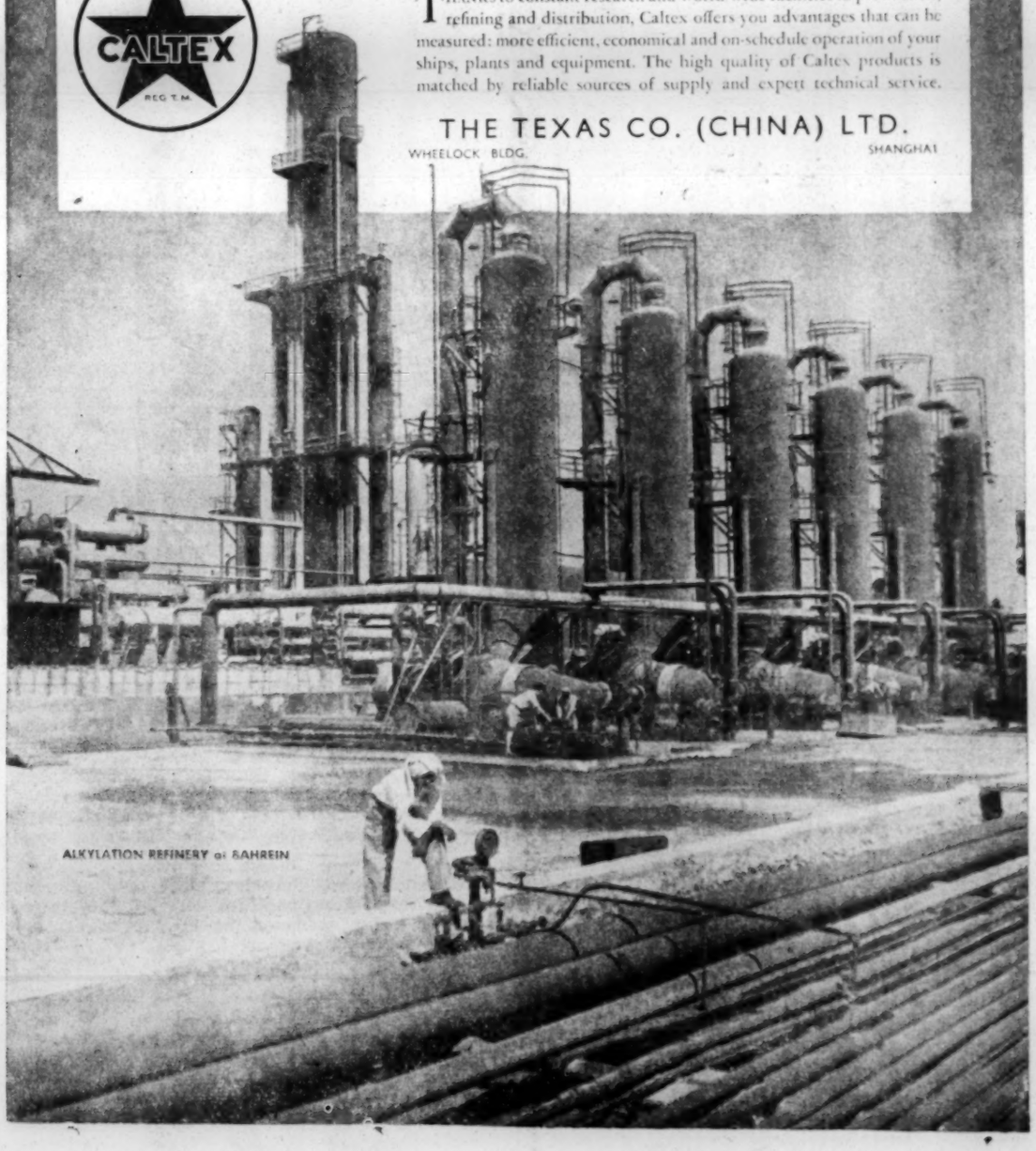

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